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COPY

BEFORE THE
FEDERAL AVIATION ADMINISTRATION
OFFICE OF THE ASSOCIATE ADMINISTRATOR FOR AIRPORTS
WASHINGTON, DC

Regarding: Privatization of New Orleans Lakefront Airport
Preliminary Application of the Orleans Levee District
for an Exemption pursuant to 49 U.S.C. §47134

JAA-03-14246-2

MAR 2 2000

**PRELIMINARY APPLICATION FOR AN EXEMPTION UNDER
49 U.S.C. §47134 FOR PRIVATIZATION OF LAKEFRONT AIRPORT**

Communications with respect to this document should be addressed to:

Mr. James P. Huey
President
Board of Commissioners
ORLEANS LEVEE DISTRICT
Suite 202 Administration Building
6001 Stars and Stripes Boulevard
New Orleans, Louisiana 70126-8006
Phone (504) 243-4000 Fax: (504) 246-8711
Owner of New Orleans Lakefront Airport

DEPT. OF TRANSPORTATION
MAR 17 AM 11:45

and

Steve A. Steckler, President
Jorge Gonzalez, Vice President for Aviation
INFRASTRUCTURE MANAGEMENT GROUP, INC.
4733 Bethesda Avenue Suite 600
Bethesda, MD 20814
Phone (301) 907-2900 Fax: (301) 907-2906 E-mail: ssteckler@imggroup.com
Advisor to the Orleans Levee District Board of Commissioners

The Board of Commissioners

OF THE

Orleans Levee District

SUITE 202 - ADMINISTRATION BUILDING

6001 STARS AND STRIPES BLVD.

New Orleans, La.

70126-8006

TEL. 504-243-4000

PROTECTING YOU
AND YOUR FAMILY



February 29, 2000

Ms. Woodie Woodward
Acting Associate Administrator for Airports
Federal Aviation Administration, ARP-1, Room 600 East
800 Independence Avenue, SW
Washington, DC 20591

Dear Ms. Woodward:

On behalf of the Board of Commissioners of the Orleans Levee District and by the authority vested in my by the Board, I am pleased to submit this Preliminary Application for participation in the FAA airport privatization pilot program and an exemption under 49 U.S.C. §47134 regarding New Orleans Lakefront Airport, a large and busy general aviation airport owned and operated by the Orleans Levee District for over 60 years.

Enclosed in this Preliminary Application are the following required elements:

1. sponsor identity and authority to participate
2. summary narrative of objectives
3. process description and timetable
4. airport property description
5. financial statements for the airport
6. copy of the Request for Offers previously issued by the District

After reviewing this Preliminary Application I am certain you will agree that New Orleans Lakefront Airport is an exceptionally strong candidate for participation in the program. With its solid base of aviation clients, potential for aviation-related growth, quality aviation facilities (multiple runways and large terminal, service and office facilities) and convenient location within a federal Enterprise Zone, Lakefront Airport is an outstanding opportunity to demonstrate precisely the kind of public-private synergies envisioned by Congress when it authorized the program. The Board is currently evaluating both a lease and a sale, and it expects to select the preferred option following review of the submittals from private operators due March 30, 2000.

I look forward to your favorable review and the impending submittal of our Final Application. Should you have any questions, please contact me or the District's advisor in this privatization, Infrastructure Management Group, Inc. of Bethesda, Maryland (301-907-2900).

Yours truly,

JAMES P. HUEY

President, Board of Commissioners

The Board of Commissioners

OF THE

Orleans Levee District

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March 1, 2000

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Legal Department

Ms. Woodie Woodward
Acting Associate Administrator for Airports
Federal Aviation Administration, ARP-1, Room 600 East
800 Independence Avenue, SW
Washington, DC 20591

**RE: Preliminary Application for participation by the Orleans Levee Board
in the FAA Airport Privatization Program**

Dear Ms. Woodward:

I am Senior Legal Counsel for the Board of Commissioners of the Orleans Levee District. President Huey asked that I address numbers 1 and 4 of the required elements for the Preliminary Application for participation in the FAA airport privatization program, on behalf of the Board of Commissioners of the Orleans Levee District (hereinafter referred to as the "OLB").

The first element is sponsor identity and authority to participate. The OLB is a political subdivision of the State of Louisiana. On February 16, 2000, the OLB passed Resolution No. 5-021600 giving its President, James P. Huey, authority to take any and all actions in the pursuit of privatizing the operations of the New Orleans Lakefront Airport. This authority includes executing any application paper to the FAA, in connection with the pilot program.

The fourth element is the airport's property description. The OLB owns the New Orleans Lakefront Airport, which is located on the south shore of Lake Pontchartrain in the Parish of Orleans, State of Louisiana. The airport is located on lands that were reclaimed from Lake Pontchartrain by the OLB, under the authority given it by the State of Louisiana. Under Article 16, Section 7 of the Louisiana Constitution of 1921 (currently, Louisiana Revised Statutes 38:336), the State granted title of the reclaimed land to the OLB, and authorized the OLB to reclaim additional land from Lake Pontchartrain as needed. The State also gave the OLB broad powers to develop the reclaimed area. The Lakefront Airport was constructed by the OLB pursuant to Paragraph (c) of Act 292, amending Article 16, Section 7(b) of the Louisiana Constitution of 1921. Pursuant to Article 14, Section 16(A) of the Louisiana Constitution of 1974, these provisions from the Constitution of 1921 were transferred to the Louisiana Revised Statutes dealing with Orleans Levee Board, and are now found in Title 38 of the Louisiana Revised Statutes. As such, the foregoing is the property description of the New Orleans Lakefront Airport.

If any additional information is required, please contact me or the OLB's advisor in this privatization, Infrastructure Management Group, Inc. of Bethesda, Maryland (301-907-2900).

Sincerely yours,

GARY G. BENOIT
Senior Counsel, Orleans Levee District

GGB/cjj

xc: The Honorable James P. Huey, President
Mr. Steve Steckler, President, Infrastructure Management Group, Inc.

The Board of Commissioners

OF THE

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JAMES P. HUEY

President, Board of Commissioners

**BEFORE THE
FEDERAL AVIATION ADMINISTRATION
OFFICE OF THE ASSOCIATE ADMINISTRATOR FOR AIRPORTS
WASHINGTON, DC**

March 1, 2000

**Re: Privatization of New Orleans Lakefront Airport
Preliminary Application of the Orleans Levee District
for an Exemption pursuant to 49 USC §47134**

**PRELIMINARY APPLICATION FOR AN EXEMPTION UNDER
49 USC §47134 FOR PRIVATIZATION OF LAKEFRONT AIRPORT**

Overview

The Orleans Levee District (“the District” or “the Sponsor”), the owner and operator of New Orleans Lakefront Airport (“the Airport”), a general aviation airport located in the City of New Orleans, Louisiana, hereby submits its Preliminary Application for an exemption under 49 U.S.C. §47134. The District has issued a formal Request For Offers with the intention of leasing or selling the Airport to a private operator under either a long-term lease or a sale. The District has reviewed the statutory requirements and two notices issued by the Federal Aviation Administration, 62 F.R. 19638 (issued April 22, 1997) and 62 F.R. 48693 (issued September 16, 1997), and is prepared to meet those requirements and follow the schedule established herein.

The District submits that the privatization of New Orleans Lakefront Airport is an excellent candidate for a privatization exemption for the following reasons:

- **Economic Viability and Opportunities for Synergy:** The Airport is a busy general aviation airport capable of financial self-sufficiency and strong aviation and related economic growth. It has 200,000 annual operations, approximately 250 based aircraft, and numerous high-quality Fixed Base Operators, hangar,

fueling and other facilities, and a large terminal building with offices, meeting space, restaurant and retail space, all located on 590 acres. An adjacent 473-slip marina, large casino and link to U.S. Interstate 10 add to the critical mass of economic activity. These important assets provide a unique opportunity to demonstrate precisely the kind of public-private synergies that Congress envisioned when it created the Pilot Program.

- **Community Development and Enterprise Zone Demonstration:** The Airport sits within one of the few federal Enterprise Zones in the United States, providing significant tax breaks for new business development and job growth in a community, including the City of New Orleans, that would benefit significantly from new investment and the greater economic attractiveness of the Airport. This means that the public-private partnership could also help demonstrate the benefits of the Administration's Enterprise Zone initiative.
- **Exceptionally Strong Interest among Potential Partners:** In the past year the Airport has already received unsolicited offers for both a sale and a lease. These offers and other considerations -- and the availability of the Pilot Program -- convinced the District that the operation and development of the Airport could be significantly enhanced through a public-private partnership. Although the Airport lacks scheduled service, the recent issuance of the Request For Offers is already attracting a surprising and much greater level of interest among large U.S. and international airport operating companies compared to other recent general aviation airport privatization competitions (e.g., Allegheny County Airport and Niagara Falls Airport). The District believes that this interest is attributable to the Airport's activity, strategic location, quality facilities, potential economic synergies and the possibility of an outright sale.
- **District/Community/State Consensus:** There is a high level of consensus in the area for privatizing the airport. Two representatives of the City of New Orleans sit on the District's Board, which voted unanimously to move forward with the

process. Moreover, the Governor of Louisiana (who appoints several members of the Board) has publicly expressed his strong support for a public-private partnership for the Airport, including even a sale.

- **Transparent and Efficient Competition Process:** The District is committed to an exceptionally fair, transparent, methodical and efficient competition process that may serve as a model for airport competitions elsewhere. Toward this end it has hired Infrastructure Management Group, Inc. (IMG), a financial and management advisory firm with the experience of dozens of similar airport public-private partnership projects around the world, to help ensure that the process proceeds quickly and professionally and in a manner to ensure that all procedural, grant assurance and user protection requirements of the Pilot Program are met.
- **Protections for Users, Employees and Grant-assisted Assets:** The District is committed to meeting the requirements of the Pilot Program, including those dealing with airport users, employees and assets. This means incorporating the requisite provisions in the public-private partnership contract, providing a continuing voice to airport users after the privatization, and smooth transfer of staff from the District to the employment of the new operator. This also includes special attention to the effective management of the orientation and transition process to private operation, as well as regular reports and inspections of maintenance practices, facility condition and quality of service to airport users.

In support of this application, the District submits the following preliminary information:

I. PARTIES TO THE TRANSACTION

A. Proposed Airport To Be Leased:

New Orleans Lakefront Airport
6001 Stars and Stripes Boulevard
New Orleans, Louisiana 70126

Mr. James P. Huey
President, Board of Commissioners
Orleans Levee District
Personal Office Phone: (504) 364-5120
Personal Office Fax: (504) 263-8740
District Office Phone: (504) 243-4000
District Office Fax: (504) 246-8711

B. Public Sponsor

Orleans Levee District
Administration Building Suite 202
6001 Stars and Stripes Boulevard
New Orleans, Louisiana 70126-8006

Mr. James P. Huey
President, Board of Commissioners
Orleans Levee District
Administration Building Suite 202
6001 Stars and Stripes Boulevard
New Orleans, Louisiana 70126-8006
Personal Office Phone: (504) 364-5120
Personal Office Fax: (504) 263-8740
District Office Phone: (504) 243-4000
District Office Fax: (504) 246-8711

Contact regarding this application should also be directed to the District's advisor,
Infrastructure Management Group, Inc. The contact address there is as follows:

Mr. Steve A. Steckler
President
Infrastructure Management Group, Inc.
4733 Bethesda Avenue Suite 600
Bethesda, MD 20814
Phone: (301) 907-2900
Fax: (301) 907-2906
E-mail: ssteckler@imggroup.com

C, D, and E: to be provided after contract award in the Final Application.

F. Statement of Public Sponsor's Authority to Sell/Lease the Airport

See Attachment 1: Letter from Orleans Levee District Counsel

See Attachment 2: Letter from James P. Huey, President of the Board of Commissioners of the Orleans Levee District

II. OBJECTIVES OF THE PRIVATIZATION INITIATIVE

The District intends to privatize the Airport in order to maximize the development, gross revenue potential and cost efficiency of the Airport, and to generate a favorable economic stimulus to the community, the District properties and the State of Louisiana. The District has determined that the Airport could be managed, operated and developed more effectively by a private entity selected through a competitive process and engaged through a public-private partnership agreement. The District is therefore conducting a process that will lead to one of the following arrangements with a private developer/operator:

- long-term lease of the Airport to a private operator/developer;
- sale of the Airport to a private operator/developer who will continue to operate the facility as an airport for public use and benefit.

After receiving the letters of interest from qualified Respondents, the District will decide which option to pursue for the remainder of the competition process.

Regardless of the partnership option ultimately selected, the District desires to have the Airport operated as a public aviation facility in accordance with all applicable laws and regulations and in compliance with all existing and future agreements between the District and the FAA, specifically including, but not limited to, FAA grant agreements and the Airport sponsor grant assurances. Any agreement executed by the District shall be subject to the approval of the District and, to the extent required, the FAA and any other state or federal agency with jurisdiction over the agreement.

The resulting public-private partnership will be structured to achieve the following goals and objectives of the District:

1. To ensure that the Airport is a self-financing enterprise that serves the business, commercial and recreational needs of the community, the City of New Orleans and the metropolitan area, the District and the Airport's tenants.
2. To ensure that the District receives an income stream from the Airport sufficient to cover all direct and overhead expenses associated with the provision of any District services provided to the Airport after transfer, as well the continuing cost of any investments made by the District in assets that may be transferred as part of the transaction and approved through the Federal Aviation Administration's Privatization Pilot Program.
3. To assure the District and the community that the Airport is developed and operated to its highest and best use consistent with community interests, providing an increasing economic stimulus to the City of New Orleans and the surrounding community.
4. To assure the continued and significant improvement in the quality and value of the services provided to Airport users.

Grant of the exemption will significantly enhance the ability of the District to achieve these goals by providing greater opportunities and a wider range of tools for public-private cooperation, investment and economic development. Over the many years that the District has owned and operated the Airport, from time to time (and currently) it has had to rely on revenues from its other assets to financially support the Airport's operations, with too little left for the kind of economic development and mission-critical investment for which the District was created. Despite this, the Airport has attracted high quality tenants, but there is universal agreement that much more could and should be done to provide value-added services and facilities and to make the Airport financially self-sufficient in all respects and a better complement to the District's other economic engines.

Based upon the District's own assessment and the unsolicited offers received for privatization, it appears that the Airport could generate substantially more revenue and at lower unit costs to users under a public-private partnership than it does now or ever could under the District's operation. The prospect is that these surpluses could be substantial, especially under the flexibility afforded by the Pilot Program. They could be used for (among other important purposes related to the District's public service mission) much-needed repairs to the flood protection facilities bordering the airport and, just as importantly, investment in new infrastructure to support job-creating business growth within the federal Enterprise Zone. For these and other reasons, the exemption would provide a critical economic stimulus to a community that so clearly needs it. In this way, the Pilot Program is an opportunity that the District is strongly motivated to pursue, and an example of successful synergies that FAA can strongly support.

III. PRIVATIZATION PROCESS AND TIMETABLE

The privatization process is detailed in **Attachment 3** and summarized below.

1. **Release of Request For Offers:** The District released the Request For Offers, Statements of Interest and Qualifications on February 28, 2000. This was preceded by the posting of advertisements in various aviation publications, press releases and letters sent approximately 70 potential bidders named in lists provided by other governments that have privatized their airports. Copies of the Request were sent to a wide variety of circulation points and to those who solicited copies (having learned of it in aviation trade publications) via telephone, fax and e-mail.
2. **Pre-submittal Information Meeting:** An Information Meeting for potential Respondents will be held at the Airport on March 9, beginning at 10:30 a.m. The event will include a meeting with Board officials, an overview of the competition process and expectations for Submittals, and a wide-ranging briefing on the Airport. Following lunch (provided by the District), there will be a series of focused briefings on facilities, assets, operations, maintenance and finances, as well as a tour of the Airport facilities. The Data Room will also be open. Additional due diligence visits can be also be arranged by Respondents at that time.
3. **A Data Room** with relevant financial, legal, contractual and historical reports and documents has been set up in the District's Executive Conference Room in the Airport Terminal and is available during the Information Meeting and by appointment. It will be open until final technical and financial proposals are received.
4. **Submittal Review and Short List:** The District will review the Submittals to determine whether there are qualified and interested Respondents sufficient to justify proceeding to the solicitation of full proposals. If the District determines this to be

the case, then it will invite the most qualified and capable Respondents to submit technical and financial proposals.

5. **Detailed Proposals and Release of Draft Contract:** At the time it requests detailed proposals, the District will provide specifications for those proposals and a draft of the proposed contract between the successful Respondent and the District. The District anticipates that review of the letters of interest and qualifications will require approximately two weeks, after which invited Respondents will be given approximately 45 additional days to submit their technical and financial proposals.
6. **Proposal Review, Selection and Negotiation:** The District will review the proposals and determine whether one or more of them satisfies the District's objectives for the competition (note that qualifications will also be part of the final review process). If the District determines this to be the case, then it will select one or more Respondents for negotiation of a final public-private partnership contract. Before making such a decision, however, the District may decide to interview one or more of the Respondents, seek clarifications of their proposal(s) and/or visit and inspect any facilities currently operated by the Respondent(s).
7. **Transition, Orientation and Oversight:** The District will seek to ensure an orderly and efficient transition to private operation through a collaborative process with the selected Respondent. It is anticipated that the transition process will be 90 days. Activities during this period will include interviews with and orientation of staff, meetings with Airport tenants and other customers, District contractors and suppliers, regional FAA officials, Louisiana Department of Transportation aviation officials, etc. In addition, the District will establish oversight and consultation processes to ensure that both the contractual obligations and grant assurances are maintained (and progress reported to the District) on a regular basis. These systems will be put into place during the transition period and be operational by Day 1 of private operations.

The planned timetable is graphically summarized in the chart below:

	Week																							
	Feb 28					Mar 30				Apr 20				May 19				Jun 16				Jul 26		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Complete Competition Plan, RFO																								
Board Approvals and Marketing *																								
Issue RFP/RFQ																								
Pre-bid Meeting & Due Diligence 1																								
Receive Qualifications																								
Evaluate Qualifications																								
Board Selects Short List for Proposals *																								
Send Draft Agreement to Short List																								
Clarifications and Due Diligence 2																								
Receive Tech. & Finance Proposals																								
Final Proposal Review & Evaluation																								
Interviews and Site Visits by Board																								
Select Proposal(s) For Negotiation *																								
Negotiation of Final Lease/Sale																								
Final Board Approval & Announcement *																								
SUBMITTAL OF PILOT PROGRAM FINAL APPLICATION TO FAA																								
Start 90-day Transition to Takeover																								
Begin Installation of Control & Reporting Mechanisms																								
Board approval points: *																								

Board approval points: *

Please note that the District anticipates that it will submit its Final Application for the Pilot Program to FAA by July 31, 2000.

Local Approvals

The Orleans Levee District is a self-contained, independent authority chartered by the State of Louisiana. Its Board of Commissioners is the sole governing body of the District and all of its properties and enterprises, including the Airport. Most members of the Board are appointed by the Governor, and two members are appointed by the City of New Orleans. The District owns and controls all properties comprising the Airport with no apparent restrictions on their use that would materially impact the privatization of the

Airport. The explicit approval of the Governor of Louisiana and the City of New Orleans are not required to approve the privatization of the Airport or any public-private agreement executed in that regard.

The Board holds regular monthly meetings, open to the public, airport users and members of the community, at which time required Board approvals will be obtained for ongoing activities of the privatization process, as required. This includes, but is not limited to, approval of the winning bidder and the final privatization agreement. These forums will allow for briefings of airport users and tenants regarding the progress of the privatization, as well as an opportunity for the Board to solicit their views on any issues or concerns that might arise.

Notwithstanding the independence of the District in this matter, the Board plans to routinely consult during this process with the City of New Orleans, the Louisiana Department of Transportation, the regional FAA office, the Federal Emergency Management Association and the Army Corps of Engineers (with regard to the flood control facilities near the airport), and the Office of the Governor of Louisiana through the District's normal points of contact for these entities. Moreover, the District will, to the extent required, consult with the Louisiana Department of Environmental Affairs in conjunction with any environmental issues relevant to the transfer (no material issues are apparent at this time). This consultation will likely occur both prior to and following the negotiation of the final privatization agreement.

IV. AIRPORT PROPERTY

A. Description of the Property to be Transferred

Lakefront Airport is a general aviation reliever airport owned by the Orleans Levee District and has been operated by the District's airport staff since the 1930s. The Airport property comprises approximately 590 acres, three runways and numerous facilities, including a large main terminal building. It is located in the eastern part of New Orleans, Louisiana at the southern edge of Lake Pontchartrain approximately 5 miles from the New Orleans central business district. The Airport's business offices are located in the Airport's main terminal building at 6001 Stars and Stripes Boulevard, New Orleans, Louisiana.

The Airport is approximately 10 minutes driving time from downtown New Orleans, the Convention Center (housing the largest contiguous floor area in America), the Louisiana Superdome, the world famous French Quarter and the new Jazzland theme park opening this summer. It is accessible by US Interstate Highway I-10, which also connects the Airport to downtown. The Airport is surrounded on almost three sides by Lake Pontchartrain and land owned by the District, and is further buffered on the fourth side from the surrounding community by two major parallel roads. Due in part to its excellent location, the Airport is used by more Fortune 500 companies than any other airport in metropolitan New Orleans.

The Airport has three paved runways:

- Runway 18R/36L, with a length of 6,879 feet (175,000 lbs./dual wheel maximum weight, with ILS, GPS, VASI) and a width of 150 feet; it has a displaced threshold on each end measuring 240 feet on the 18R end and 811 feet on the 36L end.
- Runway 18L/36R with a length of 3,699 feet (55,000 lbs./dual wheel maximum weight) and a width of 75 feet; and

- Runway 09/27 with a length of 3,094 feet (80,000 lbs./dual wheel maximum weight, with VASI) and a width of 75 feet.

Runways 18R/36L and 18L/36R have full-length parallel taxiways with taxiway connectors and access to all aircraft parking and hangar facilities. There is a FAA-operated control tower on the Airport. The ground support and aircraft support equipment can handle aircraft up to a B-757. FAA-approved and certified passenger screening equipment is available. The Airport is served by US Customs and the Department of Agriculture. The Louisiana Air National Guard also maintains operations at the Airport. The Airport has a partial FAA Part 139 certification, although the entire Airport is marked and lighted to Part 139 standards.

With 14 large hangars, 48 T-hangars, approximately 250 based aircraft and nearly 200,000 annual aircraft operations, Lakefront Airport is the largest general aviation airport in the tri-state region, as well as the busiest (in terms of aircraft operations) of any airport in the region. It has hosted several National Business Aircraft Association (NBAA) national conventions in the past, and will also host the 2000, 2001 and 2005 national conventions.

The Airport presents opportunities for growth in airport-related activities and development. Eighty-three acres of prime airport land are available for development. Aviation facilities, including hangars, light industrial complexes and office facilities can be developed on the property. The main terminal building already includes offices, meeting rooms, a restaurant and bar, and retail space. Rental cars are also available through the FBOs.

The Airport has been designated as a federal Enterprise Zone, and therefore business located on the Airport can enjoy important tax benefits rarely available elsewhere. There is a 473-slip marina adjacent to the airport (also owned by the District), which is also

home to a Bally's Riverboat Casino. In addition, there are 14 acres of non-airport land available for development.

Over the years the District has invested extensively in capital improvements, resulting in outstanding facilities to serve a wide range of aircraft. Total federal Airport Improvement Program ("AIP") grants received by the Airport total approximately \$40 million over the past three decades. The Airport has \$20 million in outstanding debt.

The Airport is partially bordered by flood protection facilities for Lake Pontchartrain. The District is currently responsible for the operation and maintenance of all of the flood protection facilities around the Airport's perimeter. The construction of these facilities were subject to the approval of the Louisiana Department of Transportation and Development, Louisiana Department of Environmental Quality Affairs and the US Army Corps of Engineers. The District will continue to be responsible for the operations and maintenance of flood protection systems after the public-private partnership.

With its quality facilities, strong national reputation among business aircraft owners and numerous opportunities for growth, expansion and on-airport development, Lakefront Airport may be one of the best U.S. airport public-private partnership opportunities to come along in years.

See also **Attachment 4**

B. History of Acquisition of Existing Airport Property

See **Attachment 4** and **Attachment 5**

V. FINANCIAL STATEMENTS

See **Attachment 6**

**VI. DISTRIBUTION READY COPY OF THE “REQUEST FOR OFFERS”
(As issued by the District on February 28, 2000, including amendments)**

See **Attachment 7**

Attachment 1

Statement of Sponsor's Authority to Sell/Lease the Airport

Letter from Orleans Levee District Senior Counsel

The Board of Commissioners

OF THE

Orleans Levee District

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Ms. Woodie Woodward
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in the FAA Airport Privatization Program**

Dear Ms. Woodward:

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If any additional information is required, please contact me or the OLB's advisor in this privatization, Infrastructure Management Group, Inc. of Bethesda, Maryland (301-907-2900).

Sincerely yours,

GARY G. BENOIT
Senior Counsel, Orleans Levee District

GGB/cj

cc: The Honorable James P. Huey, President
Mr. Steve Steckler, President, Infrastructure Management Group, Inc.

Attachment 2

Statement of Sponsor's Authority to Sell/Lease the Airport

Letter from Orleans Levee District President

The Board of Commissioners

OF THE

Orleans Levee District



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February 29, 2000

Ms. Woodie Woodward
Acting Associate Administrator for Airports
Federal Aviation Administration, ARP-1, Room 600 East
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3. process description and timetable
4. airport property description
5. financial statements for the airport
6. copy of the Request for Offers previously issued by the District

After reviewing this Preliminary Application I am certain you will agree that New Orleans Lakefront Airport is an exceptionally strong candidate for participation in the program. With its solid base of aviation clients, potential for aviation-related growth, quality aviation facilities (multiple runways and large terminal, service and office facilities) and convenient location within a federal Enterprise Zone, Lakefront Airport is an outstanding opportunity to demonstrate precisely the kind of public-private synergies envisioned by Congress when it authorized the program. The Board is currently evaluating both a lease and a sale, and it expects to select the preferred option following review of the submittals from private operators due March 30, 2000.

I look forward to your favorable review and the impending submittal of our Final Application. Should you have any questions, please contact me or the District's advisor in this privatization, Infrastructure Management Group, Inc. of Bethesda, Maryland (301-907-2900).

Yours truly,

JAMES P. HUEY

President, Board of Commissioners

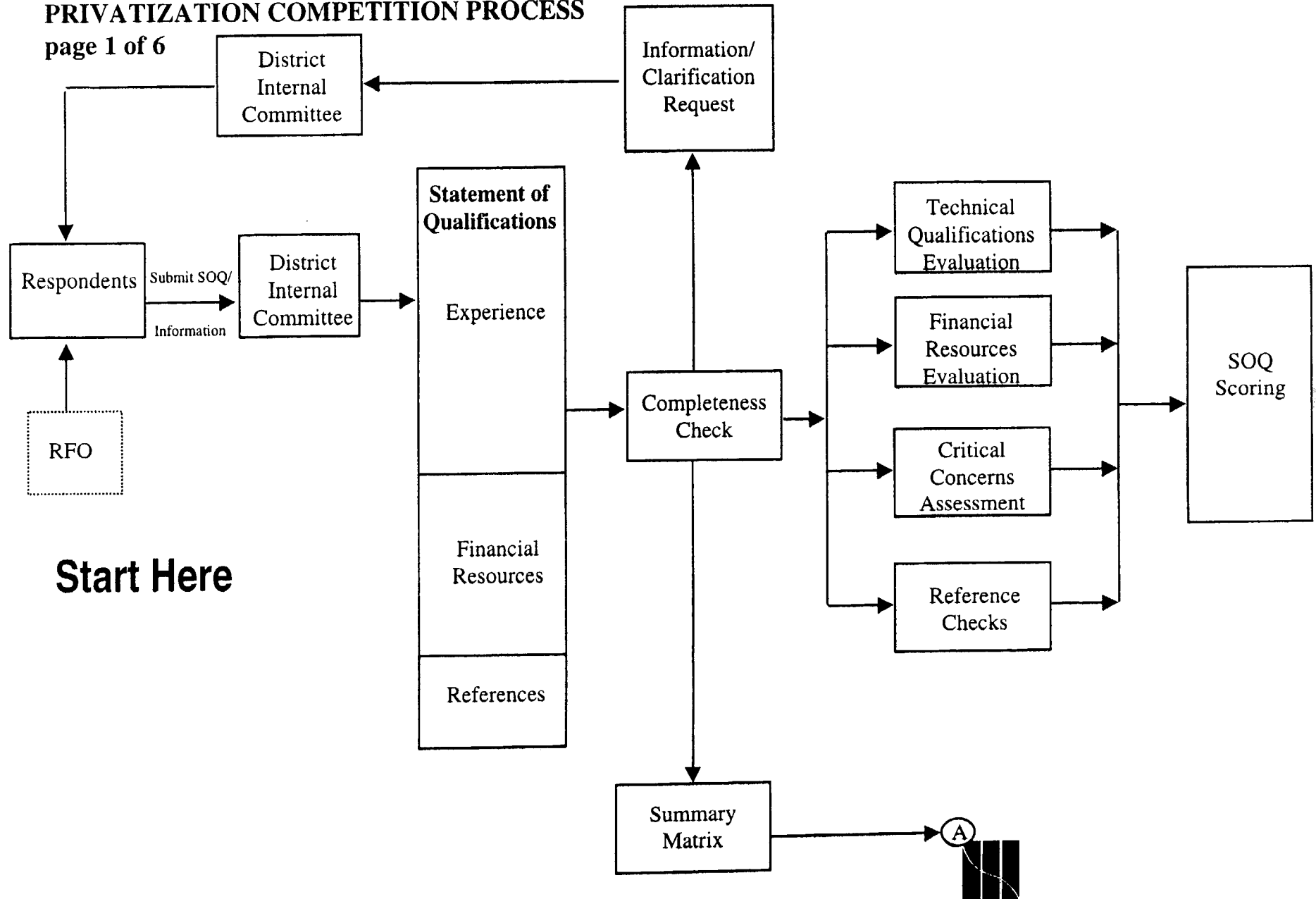
Attachment 3

Description of Privatization Competition Process

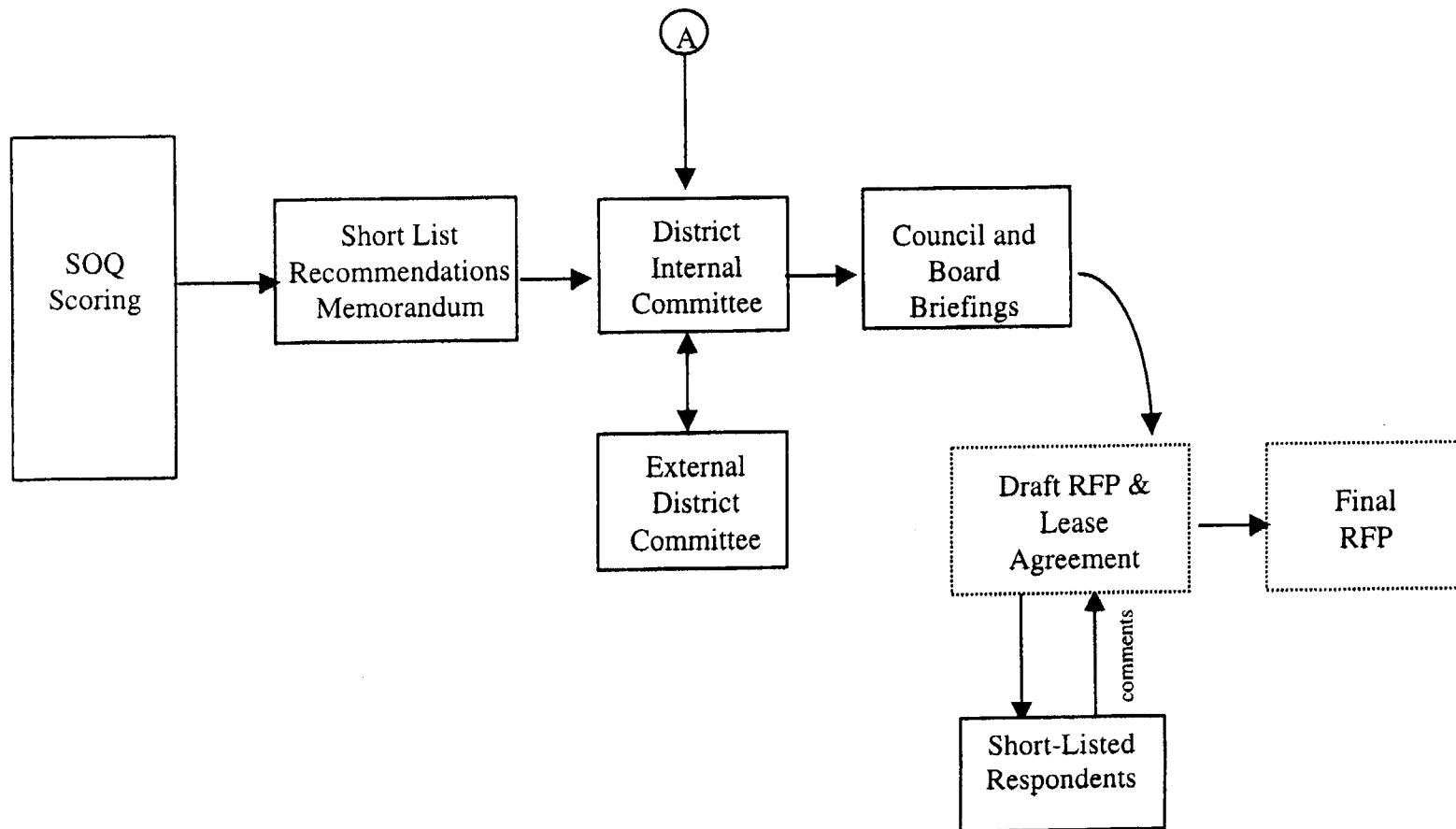
Process Diagram

N.O. LAKEFRONT AIRPORT PRIVATIZATION COMPETITION PROCESS

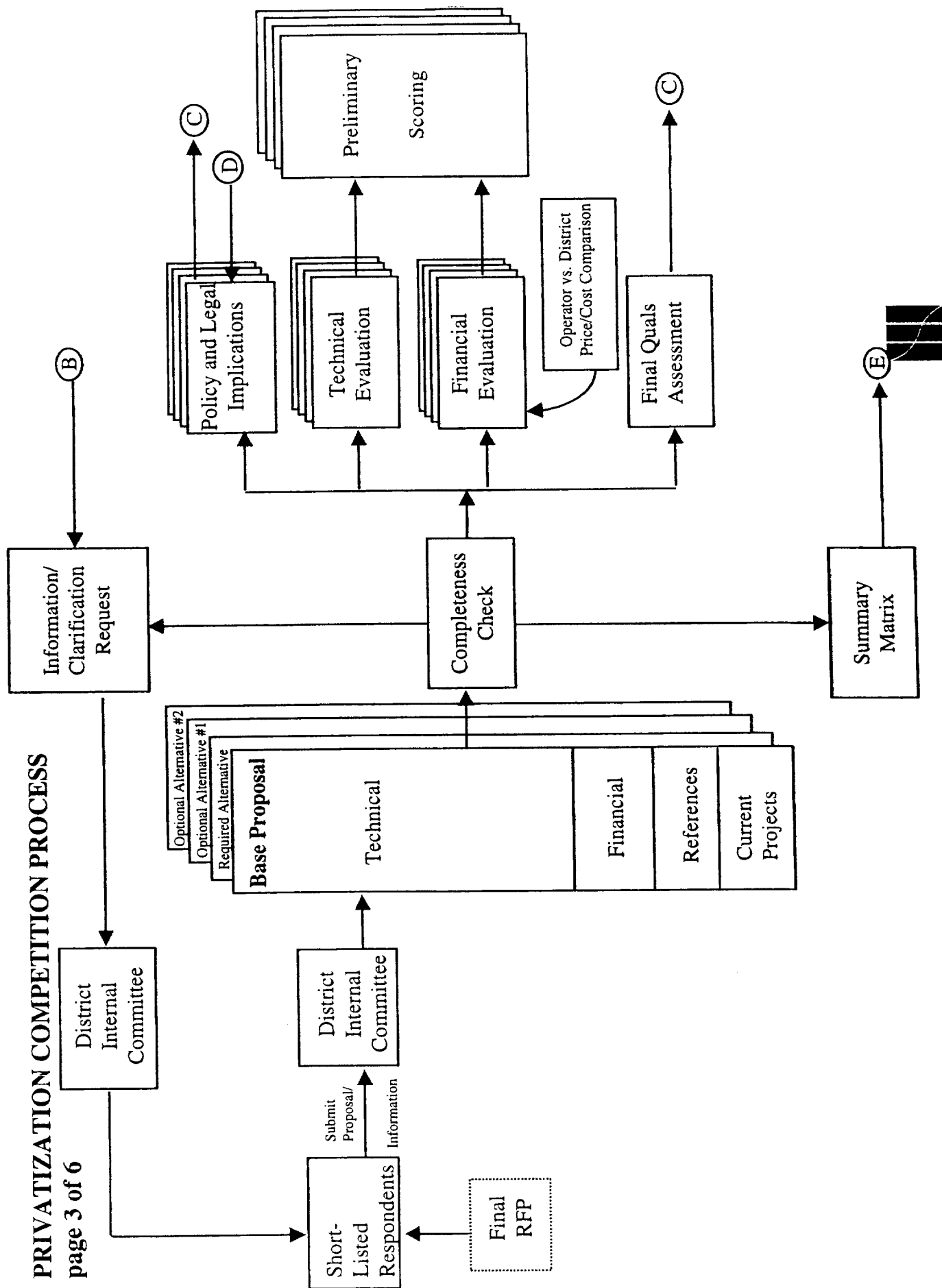
page 1 of 6



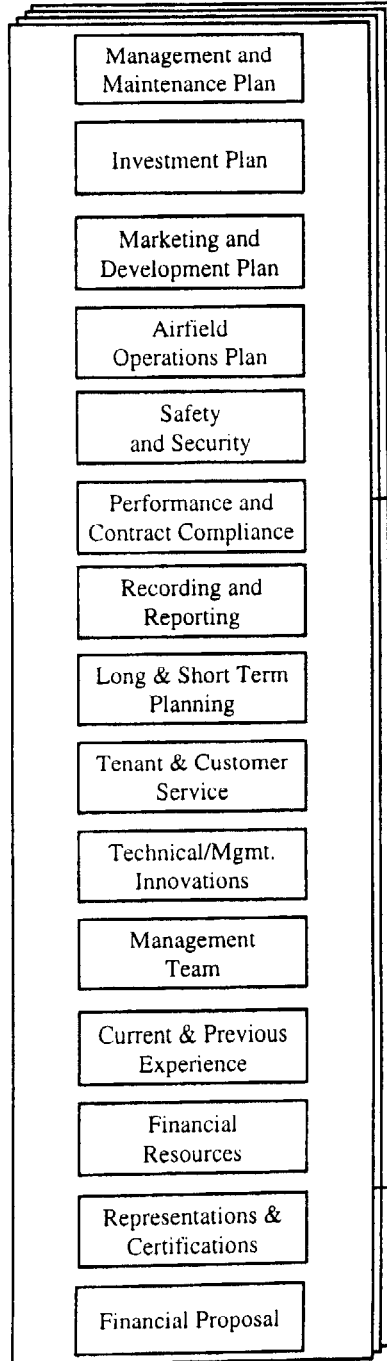
**N.O. LAKEFRONT AIRPORT
PRIVATIZATION COMPETITION PROCESS**
page 2 of 6



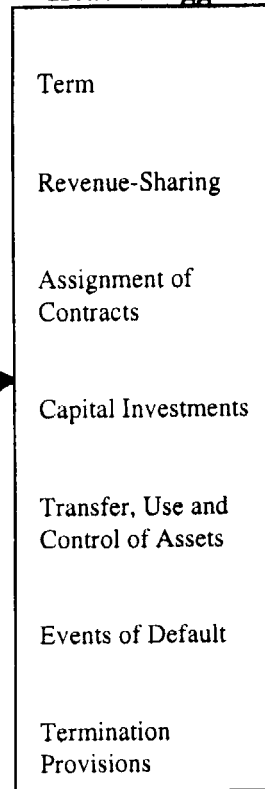
page 3 of 6



Preliminary Scoring



Operating/Lease Agreement Issues Flagged



"Best Alternatives" Sorting

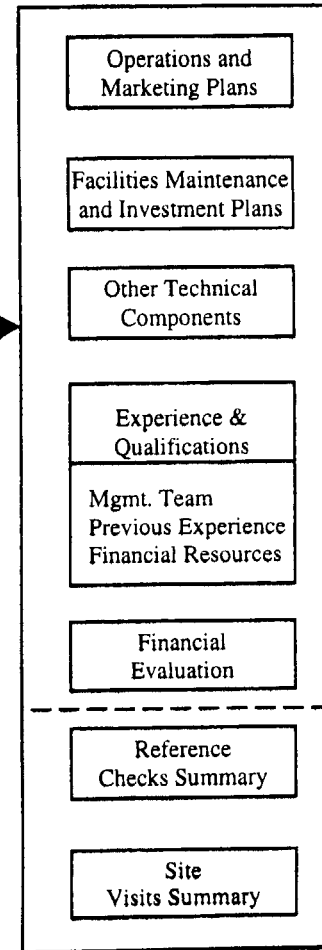
Comparison by Proposer
Comparison by Alternative Category
Fatal Flaws Analysis
Critical Success and Decision Factors

PRIVATIZATION COMPETITION PROCESS

page 4 of 6

To Negotiations

Final Scoring/Evaluation



Finalists
Recommendation
Memorandum

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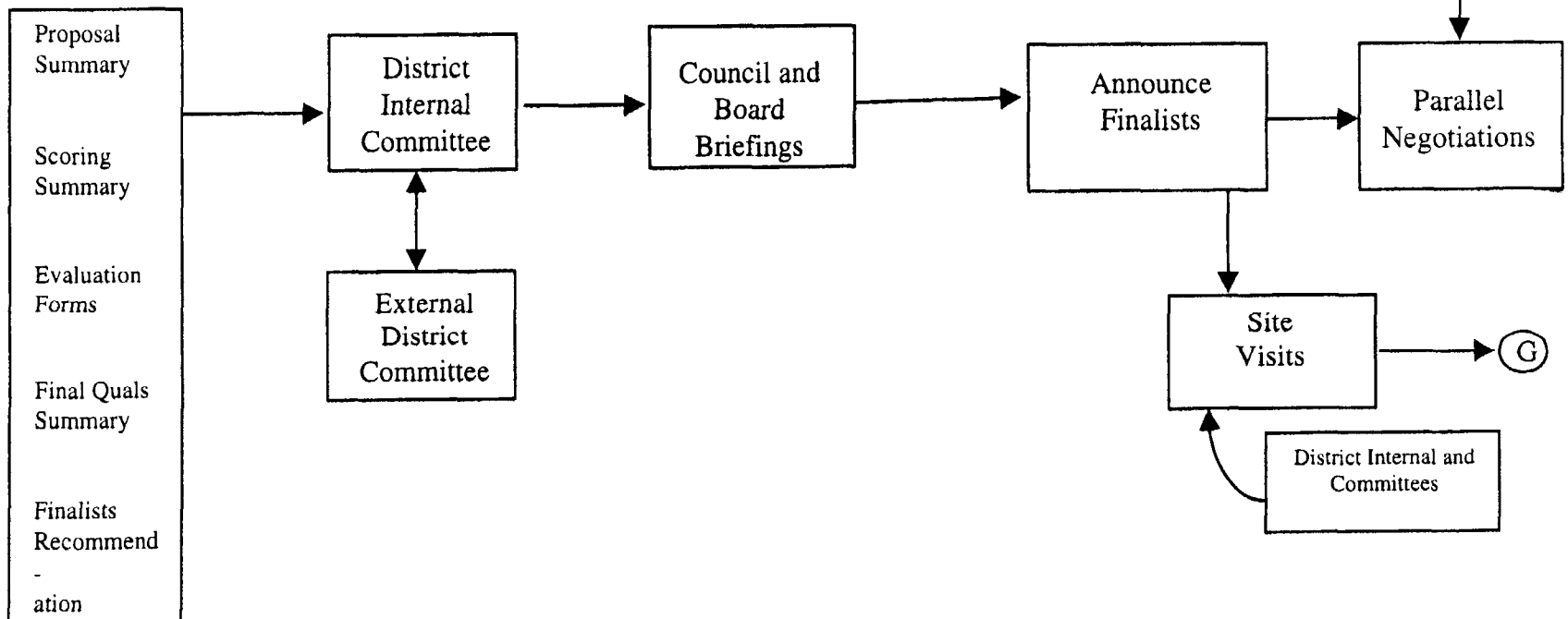
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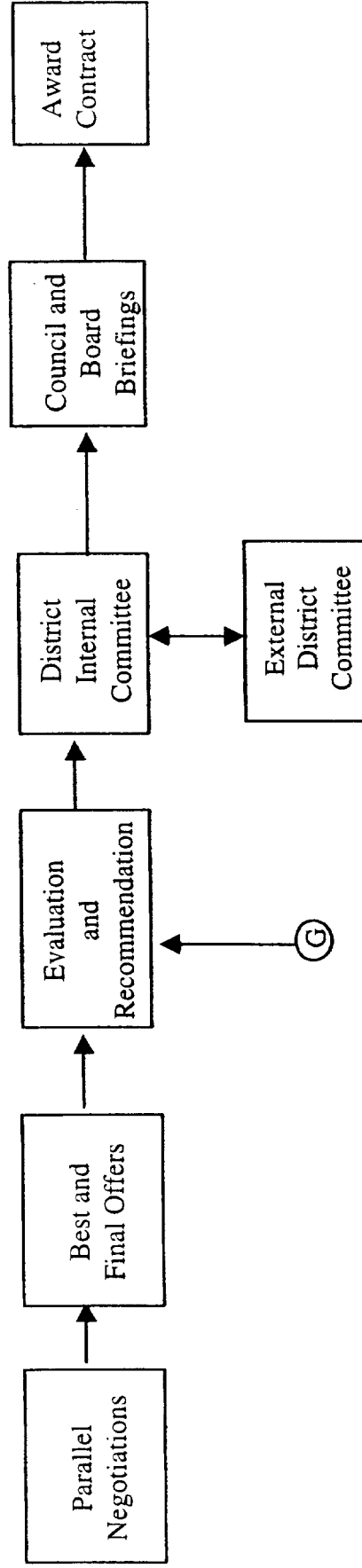
**N.O. LAKEFRONT AIRPORT
PRIVATIZATION COMPETITION PROCESS**
page 5 of 6

**Finalists
Recommendation
Memorandum**



**N.O. LAKEFRONT AIRPORT
PRIVATIZATION COMPETITION PROCESS**

page 6 of 6



Attachment 4

Description of Property and History of Acquisition of Property

Letter from Orleans Levee District Senior Counsel



The Board of Commissioners

OF THE

Orleans Levee District

SUITE 202 - ADMINISTRATION BUILDING

6001 STARS AND STRIPES BLVD.

New Orleans, La.

70126-8006

March 1, 2000

TEL 504-243-4000

PROTECTING YOU
AND YOUR FAMILY

Legal Department

Ms. Woodie Woodward
Acting Associate Administrator for Airports
Federal Aviation Administration, ARP-1, Room 600 East
800 Independence Avenue, SW
Washington, DC 20591

**RE: Preliminary Application for participation by the Orleans Levee Board
in the FAA Airport Privatization Program**

Dear Ms. Woodward:

I am Senior Legal Counsel for the Board of Commissioners of the Orleans Levee District. President Huey asked that I address numbers 1 and 4 of the required elements for the Preliminary Application for participation in the FAA airport privatization program, on behalf of the Board of Commissioners of the Orleans Levee District (hereinafter referred to as the "OLB").

The first element is sponsor identity and authority to participate. The OLB is a political subdivision of the State of Louisiana. On February 16, 2000, the OLB passed Resolution No. 5-021600 giving its President, James P. Huey, authority to take any and all actions in the pursuit of privatizing the operations of the New Orleans Lakefront Airport. This authority includes executing any application paper to the FAA, in connection with the pilot program.

The fourth element is the airport's property description. The OLB owns the New Orleans Lakefront Airport, which is located on the south shore of Lake Pontchartrain in the Parish of Orleans, State of Louisiana. The airport is located on lands that were reclaimed from Lake Pontchartrain by the OLB, under the authority given it by the State of Louisiana. Under Article 16, Section 7 of the Louisiana Constitution of 1921 (currently, Louisiana Revised Statutes 38:336), the State granted title of the reclaimed land to the OLB, and authorized the OLB to reclaim additional land from Lake Pontchartrain as needed. The State also gave the OLB broad powers to develop the reclaimed area. The Lakefront Airport was constructed by the OLB pursuant to Paragraph (c) of Act 292, amending Article 16, Section 7(b) of the Louisiana Constitution of 1921. Pursuant to Article 14, Section 16(A) of the Louisiana Constitution of 1974, these provisions from the Constitution of 1921 were transferred to the Louisiana Revised Statutes dealing with Orleans Levee Board, and are now found in Title 38 of the Louisiana Revised Statutes. As such, the foregoing is the property description of the New Orleans Lakefront Airport.

If any additional information is required, please contact me or the OLB's advisor in this privatization, Infrastructure Management Group, Inc. of Bethesda, Maryland (301-907-2900).

Sincerely yours,

GARY G. BENOIT
Senior Counsel, Orleans Levee District

GGB/cjj

xc: The Honorable James P. Huey, President
Mr. Steve Steckler, President, Infrastructure Management Group, Inc.

Attachment 5

Description of Property and History of Acquisition of Property

Origins of the District, Grant and Reclamation of Land for the Airport

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Ch. 4
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LEVEE DISTRICTS

Ch. 4

R.S. 38:291

§§ 281.1 to 285.1. [Blank]

Historical Note

These section numbers were vacated by the amendment and reenactment of Chapter 4 of Title 38 of the Louisiana Revised Statutes by Acts 1985, No. 785, § 1. For disposition of the

subject matter of the former sections following the 1985 revision, see notes and disposition table preceding R.S. 38:281.

§ 286. [Blank]

Historical Note

This section number was vacated by the amendment and reenactment of Chapter 4 of Title 38 of the Louisiana Revised Statutes by Acts 1985, No. 785, § 1. For disposition of the subject matter of the former section following the 1985 revision, see notes and disposition table preceding R.S. 38:281.

Acts 1985, No. 588, § 1, effective September 6, 1985, amended par. A(1) of R.S. 38:286, which amended paragraph, on authority of R.S. 24:253, was set out as a note under R.S. 38:308, which section contains the subject matter of former 38:286.

§§ 287 to 290. [Blank]

Historical Note

These section numbers were vacated by the amendment and reenactment of Chapter 4 of Title 38 of the Louisiana Revised Statutes by Acts 1985, No. 785, § 1. For disposition of the

subject matter of the former sections following the 1985 revision, see notes and disposition table preceding R.S. 38:281.

PART II. DISTRICTS

§ 291. Naming; limits of districts; composition of boards

A. Atchafalaya Basin Levee District. (1) All the parishes and parts of parishes south of Old River, and between the Mississippi River and Lafourche Bayou on the east, and a line drawn along the north boundary of St. Martin Parish from the Atchafalaya River on the east to Bayou Teche on the west, thence down Bayou Teche to the Atchafalaya River, and thence down the Atchafalaya River to its mouth, and also excepting all the property within the present corporate limits of the towns of Franklin and New Iberia, viz.: The parishes of Pointe Coupee, West Baton Rouge, Terrebonne, and parts of the parishes of Iberville, Ascension, Assumption, Lafourche, St. Martin, Iberia, St. Mary excepting what is known as Tiger Island on which the city of Morgan City is situated, and also excepting all the property within the present corporate limits of the towns of Franklin and New Iberia, with the additional following territory: A strip of land in St. Landry Parish lying between Bayou Courtableau, on the northeast, and the Atchafalaya River on the east, the parish line of St. Martin on the south, and Bayou Teche on the west, shall be embraced in the limits of a levee district to be known as the Atchafalaya Basin Levee District. These lands and all property thereon situated, not exempt from taxation, shall be subject to the provisions of this Chapter.

(2) The governor shall appoint in accordance with the provisions of R.S. 38:304 nineteen persons to serve as levee commissioners as follows:

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LEVEE DISTRICTS

Ch. 4

(2) The governor shall appoint in accordance with the provisions of R.S. 38:304 eight persons residing within the parish of Natchitoches to serve as levee commissioners.

I. Nineteenth Louisiana Levee District. (1) All of the alluvial land subject to overflow on the left descending bank of the Red River in Grant Parish and all of the alluvial land subject to overflow along the tributaries of the Red River in Grant Parish downstream from the mouth of Bayou Nantachie shall compose a levee district to be known as Nineteenth Louisiana Levee District. The total area of the district is sixty-seven thousand four hundred acres. These lands and all property thereon situated, not exempt from taxation, shall be subject to the provisions of this Chapter.

(2) The governor shall appoint in accordance with the provisions of R.S. 38:304 three persons to serve as levee commissioners.

J. North Bossier Levee District. (1) All that portion of the alluvial lands in the parish of Bossier embraced and situated within the following described boundaries, viz: All alluvial lands and all lands subject to or liable to overflow from the waters of Red River or its tributaries or outlets, bounded on the north by the Arkansas and Louisiana state line, on the east by the hills or uplands, on the south by the southern boundary line of sections 9, 10, 11, and 12 of T22N-R14W, and on the west by Red River, being all the lands of T23N-R14W within the parish of Bossier, and all those portions of T23N-R13W, of T22N-R13W and T22N-R14W, north of the section line bounding sections 9, 10, 11 and 12 as before mentioned, in the parish of Bossier, subject to the overflow from Red River or its tributaries, containing twenty-one thousand one hundred and fifty-three acres more or less, are incorporated into a levee district, to be known as the North Bossier Levee District. These lands and all property thereon situated, not exempt from taxation, shall be subject to the provisions of this Chapter.

(2) The governor shall appoint in accordance with the provisions of R.S. 38:304 five persons to serve as levee commissioners.

K. Orleans Levee District. (1) The parish of Orleans is formed into a public levee district, to be known as the Orleans Levee District. These lands and all property thereon situated, not exempt from taxation, shall be subject to the provisions of this Chapter.

(2) The board shall consist of eight members. The governor shall appoint six persons to serve as levee commissioners, who shall possess the qualifications provided in R.S. 38:304. The terms of all such commissioners whether heretofore or hereafter appointed, shall, after July 10, 1986, be subject to Senate confirmation and serve at the pleasure of the governor making the appointment. Two commissioners shall be ex officio the mayor of the city of New Orleans, or his designee and one member appointed by the mayor from a list of three city councilmen selected by the members of the city council of New Orleans.

L. Pontchartrain Levee District. (1) All that part of the parish of East Baton Rouge lying south of the city of Baton Rouge, and all those parts of the

R.S. 38:306

Note 40

State of Louisiana v. Boarman, 1917, 37 S.Ct. 605, 244 U.S. 397, 61 L.Ed. 1222.

41. Parties

A levee district, which purportedly received from the state through a defective conveyance certain lands which had been adjudicated to state for nonpayment of taxes, and the heirs of the grantee to whom levee district purportedly conveyed lands were necessary parties to action by wife of original owner to compel issuance of a certificate of redemption on lands based on unconstitutionality of Acts 1926, No. 316, which purported to validate the defective transfer to the levee district, and Acts 1934, No. 99, which authorized the land office register to execute a quitclaim deed in favor of the heirs

PUBLIC CONTRACTS, WORKS, ETC.

Ch. 4

as ratifying the conveyance from the levee district to the grantee. State ex rel. Woods v. Register of State Land Office, 1938, 189 La. 69, 179 So. 38.

42. Review

Where question whether land involved had ever been formally transferred from state to levee district as provided by statute was a material issue in petitory action, and defendants, in answer to plaintiffs' appeal, sought leave to file document allegedly discovered after trial of cause had been completed, which purported to show a transfer to district on November 10, 1896, case would be remanded to district court. Lovell v. Fitzpatrick, 1943, 202 La. 545, 12 So.2d 267.

§ 307. Orleans Levee District; powers of board of commissioners

A. (1) The board of commissioners of the Orleans Levee District shall have and exercise all and singular the powers now conferred upon that board by law, as well as such powers as are herein granted. The board shall have full and exclusive right, jurisdiction, power, and authority to locate, relocate, construct, maintain, extend, and improve levees, embankments, seawalls, jetties, breakwaters, water-basins, and other works in relation to such projects and to conduct all dredging operations necessary in connection therewith or incidental thereto along, over, and on the shores, bottom, and bed of Lake Pontchartrain in the parish of Orleans from its western boundary to the boundary line separating township 11 south, range 12 east, from township 11 south, range 13 east, at a distance not to exceed three miles from the present shore line, as the board may determine, and along and on the shores adjacent to the lake and along the canals connected therewith. The levees, embankments, seawalls, jetties, breakwaters, waterbasins, and other works shall be of such character and extent and of such height, width, slope, design, and material as the board determines, with power and authority to improve and to protect the same with such other structures as are deemed necessary and proper by the board. All final plans and specifications covering and relating to works of a permanent nature shall be submitted to the office of public works or its successor for approval as to soundness of engineering practice and feasibility, but not as to form, extent of area, or detail and such plans and specifications shall be approved by the office of public works prior to their adoption by the levee board.

(2) The office of public works, or its successor, shall promptly and with all possible preference over other work pass upon the plans and specifications so submitted to it by the levee board.

B. (1) The board shall have the right, jurisdiction, power, and authority to plan, execute, and maintain all the works and all the phases of the projects and improvements undertaken hereunder.

(2) For the purpose of construction and administration the total area is divided into five zones as follows:

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Ch. 4

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LEVEE DISTRICTS

R.S. 38:307

Ch. 4

- Zone 1. From New Basin Canal to Orleans Canal.
- Zone 2. From Orleans Canal to Bayou St. John.
- Zone 3. From Bayou St. John to London Avenue.
- Zone 4. From London Avenue to Industrial Canal.
- Zone 5. From Industrial Canal to lower limits of project.

(3) Except as to fill and flood and wave protection, these zones shall be completed one at a time, so that one zone shall be finished before another is begun; however, no work, except that connected with the construction and the creation of aviation fields, shall be commenced in Zone 5 until three Zones are completed.

C. (1) In the planning, designing, and executing of a project, the board shall have jurisdiction, power, and authority, within the territorial limits of the project, to dedicate to public use and to lay out, construct, embellish, and maintain a system of parks, beaches, tracts of lands, and streets, with the necessary and related or unrelated buildings and the usual adjuncts to the kind of development contemplated hereunder and to construct and equip and maintain playgrounds, places of amusement and entertainment, golf links, gymnasiums, swimming pools, bathing beaches, aviation fields, and other like places.

(2) The board of commissioners of the Orleans Levee District may establish rental rates or other types of docking charges for boat slips in any marina it owns or operates. All rental rates and all other types of docking charges for boat slips established by the board shall be fair and equitable; and no surcharges, rental rates, or other charges for the use of marina facilities shall be assessed at a higher rate to nonresidents of Orleans Parish than those assessed to residents of Orleans Parish.

D. The board may contract with the Sewerage and Water Board of New Orleans and with any public utility now or hereafter operating in the city of New Orleans on such terms as are agreed upon between the board and the sewerage and water board and the respective utilities for the financing, construction, and extension of sewerage, water, and drainage facilities, and other necessary public utilities in, on, and through the development. However, the board shall not, by contract or otherwise, have any control of or any jurisdiction over the utilities or any of them as to rates, service, charges, or otherwise.

E. The board may acquire by donation, purchase, exchange, expropriation, or appropriation and include in the development and improvements any private property north of a line commencing at the intersection of the Orleans-Jefferson Parish line and the extension of the south property line of Robert E. Lee Boulevard, formerly Adams Avenue, thence continuing in an easterly direction along this extended line and along the southern property line of Robert E. Lee Boulevard to the west bank of Bayou St. John, thence across Bayou St. John in a northeasterly direction to the southeast property line of Pressburg and the east bank of Bayou St. John, thence in an easterly direction along the south property line of Pressburg Street to the southeast

property line corner of Pressburg Street and Spanish Fort shell road, thence in a northerly direction along the east property line of the Spanish Fort shell road to the southeast property line of Hibernia Avenue, Edinburg Avenue, and the Spanish Fort shell road; thence in an easterly direction along the south property line of Hibernia Avenue to the southeast property line corner of Hibernia Avenue and Hayne Boulevard, thence along the east and/or south property line of Hayne Boulevard to an intersection with the west property line of the Industrial Canal; thence resuming at the east property line of the Industrial Canal at Hayne Boulevard and continuing along the south side of Hayne Boulevard to a point of intersection at which the south side of Hayne Boulevard projected meets the boundary line between township 11 south, range 12 east, and township 11 south, range 13 east, within the aforesaid limits in the parish of Orleans, which may be necessary in connection with a project. In the event of expropriation or appropriation the compensation to be paid for property taken for levee and levee drainage purposes shall be the actual cash value of the property before construction of the levee or the levee drainage facilities; compensation for property taken for other than levee and levee drainage purposes shall be as provided by the constitution and laws of the state for property expropriated or appropriated for a public purpose.

F. All property owned by the state or the title to which is in the name of the state and all property which by its nature, situation, and location is not susceptible of private ownership under the present laws and constitution of the state, and within the area of the works of reclamation and improvement is specifically vested in the levee board.

G. The board, in its discretion, may enter into an agreement with the city of New Orleans by which the board may extend all or any part of its construction work it deems proper on the adjacent City Park Extension.

H. Nothing herein contained shall be construed to deprive the city of New Orleans of any rights or powers that it presently has or exerts within its municipal limits or to confer further police power upon the board of commissioners of the Orleans Levee District.

I. The work of reclamation, construction, and improvement herein and heretofore authorized and provided for shall be accomplished by letting out contracts therefor from time to time in accordance with law at the time of the letting of the contracts.

Acts 1985, No. 785, § 1, eff. July 22, 1985. Amended by Acts 1986, No. 559, § 1.

Historical Note

Chapter 4 of Title 38 of the Louisiana Revised Statutes of 1950, relative to levee districts, was amended and reenacted by Acts 1985, No. 785, § 1. For disposition of the subject matter of the former sections of Chapter 4 following the 1985 revision, see notes and disposition table preceding R.S. 38:281.

In this section as contained in Acts 1985, No. 785, the paragraph designations in subsec. A

were supplied, the subparagraph designation in par. B(2) was also supplied, and the paragraph enacted as par. B(2) was redesignated as par. B(3) on authority of R.S. 24:253.

The paragraph designations in subsec. C of this section as amended in 1986 were made on authority of R.S. 24:253.

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Ch. 4

LEVEE DISTRICTS Ch. 4

R.S. 38:307
Note 6

Cross References

Orleans Levee District,
Board of commissioners, see R.S. 38:291.
Bond issues, see R.S. 38:335.
Contributions to Pontchartrain Levee District, see R.S. 38:338.
Limits, see R.S. 38:291.
State land grants, see R.S. 38:336.
Validation of previous sales, leases and other dispositions of land, see R.S. 38:337.

Library References

Levees and Flood Control 89.
WESTLAW Topic No. 235.
C.J.S. Levees and Flood Control § 24 et seq.

Notes of Decisions

Airports 17
Appropriation of land 8-13
 In general 8
 Compensation 12
 Necessity 9
 Pecuniary benefit 11
 Public purpose 10
 Valuation date 13
Capacity to sue and be sued 6
Collateral estoppel 30
Compensation, appropriation of land 12
Completion of work by zones 22
Contracts 23
Damage to property 14
Drainage 16
Emergencies 21
Employment 4
Federal jurisdiction 26
Federal project sponsorship 5
Immunity from suit 7
Injunctions 29
Leases 24
Levees 15
Nature of board 2
Necessity, appropriation of land 9
Parties 27
Pecuniary benefit, appropriation of land 11
Pleadings 28
Police power 3
Powers of district, generally 1
Public purpose, appropriation of land 10
Reclamation projects 18
Res judicata and collateral estoppel 30
Review 31
Sanitation 19
Taxation 25
Title to reclaimed land and lake beds 20
Valuation date, appropriation of land 13

1. Powers of district, generally

No portion of the general engineer fund could be used in connection with a W.P.A. project for determining the water table in the City of New Orleans unless project would aid

in the construction, maintenance or repair of levees, either directly or indirectly. Op. Atty. Gen. 1936-38, p. 325.

2. Nature of board

Board of Levee Commissioners of the Orleans Levee District is corporate body politic, a special state agency or subdivision, created by act of Legislature. *Musmeci v. American Auto. Ins. Co.*, App. 1962, 146 So.2d 496.

3. Police power

State had right under police power to protect city, and, as matter of health and comfort, to build sea wall and fill and drain marshy lake lands. *Dalche v. Board of Com'rs of Orleans Levee Board*, D.C. 1931, 49 F.2d 374.

4. Employment

The Board of Levee Commissioners of Orleans Levee District is specifically authorized "to employ such engineers and such legal counsel as may be necessary". Op. Atty. Gen. 1940-42, p. 1979.

5. Federal project sponsorship

The board of commissioners of the Orleans levee district was fully authorized to sponsor W.P.A. projects. Op. Atty. Gen. 1940-42, p. 3299.

6. Capacity to sue and be sued

Where in negotiating a lease for a hangar the Orleans airport commission acted for and on behalf of the levee board and necessarily with its consent and approval, the levee board had authority to institute suit to recover possession of the leased hangar. *Board of Levee Com'rs of Orleans Levee Dist. v. Magee Aircraft Co.*, App. 1955, 77 So.2d 239.

Under Acts 1890, No. 93, § 3 (see, now, R.S. 38:306, 38:309), Orleans levee board had power to sue and be sued. *Board of Com'rs of Orleans Levee Dist. v. Blythe*, 1927, 163 La. 929, 113 So. 150.

LEVEE DISTRICTS

Ch. 4

which was date of resolution of Board of which notice was given in public press, and property owner was entitled to compensation on basis of value as of said date and not as of date when action was instituted. Board of Levee Com'rs of Orleans Levee Dist. v. Auriante, 1956, 229 La. 83, 85 So.2d 39, followed in 229 La. 92, 85 So.2d 42, certiorari denied 76 S.Ct. 847, 351 U.S. 951, 100 L.Ed. 1475, followed in 92 So.2d 592.

Landowner's right of action for property appropriated by levee district in 1926 was for value at time of appropriation. New Orleans Land Co. v. Board of Levee Com'rs of Orleans Levee Dist., 1931, 171 La. 718, 132 So. 121, affirmed 51 S.Ct. 646, 283 U.S. 809, 75 L.Ed. 1427.

14. Damage to property

Board of levee commissioners was not liable to alleged riparian owner for soil removed from batture within corporate limits of New Orleans by third party with board's permission where charge of 10 cents per cubic yard therefor was to defray expenses of inspection so as to protect levee. Manson v. Board of Levee Com'rs, Orleans Levee Dist., App.1934, 153 So. 477.

Damages occasioned by state in determining propriety, location, and mode of building levees are *damnum absque injuria*. Foret v. Board of Levee Com'rs of Orleans Levee Dist., 1930, 169 La. 427, 125 So. 437.

Under Const.1898, Art. 312, read in connection with article 290, a person whose property was taken for levee purposes by the Orleans levee board had a right of action only for the value of the property taken, and not for the damage to other property or to his business. Ward v. Board of Levee Com'rs of Orleans Levee Dist., 1922, 152 La. 258, 92 So. 769, certiorari denied 43 S.Ct. 246, 260 U.S. 745, 67 L.Ed. 492.

15. Levees

A levee board, in discharge of its duty and responsibility in protecting public against danger of floods, need not wait until danger is imminent, but has duty to maintain levees at all times in such condition as to avoid all possibility of danger. Board of Levee Com'rs of Orleans Levee Dist. v. Kelly, 1954, 225 La. 411, 73 So.2d 299.

The board of levee commissioners of the Orleans levee district have large powers and broad discretion in determining the area of land necessary to construct new levees or in repairing the old. Board of Levee Com'rs of Orleans Levee Dist. v. Jackson's Estate, 1904, 113 La. 124, 36 So. 912.

Levee board was authorized to construct levees in the parish of Orleans and adjacent

parishes as board determined. Op.Atty.Gen. 1922-24, p. 1026.

16. Drainage

Orleans Levee Board in doing its work of reclamation on Lake Pontchartrain was authorized to grant contractor permission to put drain pipe leading from side levees into New Basin Canal where drain pipe in question was not susceptible of classification as canal, ditch, or underground drainage within provision of Acts 1894, No. 51 (repealed) providing that New Basin Canal could not be used for drainage purposes by cutting canals, ditches, or underground drainage into such canal. Op.Atty. Gen.1928-30, p. 400.

17. Airports

Under 1932 amendment relating to Orleans airport provisions of Const.1921, Art. 16, § 7 (continued as a statute by Const.1974, Art. 14, § 16; see, now, in part, this section), the board of levee commissioners of the Orleans levee district alone had responsibility of the planning, construction and maintenance of aviation fields, and the origin, growth, development, and existence of the airport rested exclusively with the board, which owned and controlled the airport and the lands, buildings, and services appertaining thereto. Jurisich v. Board of Levee Com'rs of Orleans Levee Dist., App.1942, 8 So.2d 554.

The purpose of the 1930 amendment of Const.1921, Art. 16, § 7 (continued as a statute by Const.1974, Art. 14, § 16; see, now, in part, this section) relating to Orleans airport, was the construction of aviation fields, irrespective of the progress of works in other zones, thereby removing all prior restrictions on the board of levee commissioners of such district, particularly as affecting the proposed immediate construction of the Orleans airport. *Id.*

Under 1930 amendment of Const.1921, Art. 16, § 7 (continued as a statute by Const.1974, Art. 14, § 16; see, now, in part, this section) relating to Orleans airport, Orleans airport commission was merely an "agency" of board of levee commissioners of such district, and the commissioner's duties related merely to the management, regulation, conduct and proper direction of the airport as a complimentary arm of the board, and the commission enjoyed no corporate powers as a body politic that could not sue or be sued, or acquire, hold, own or convey property, and had no domicile. *Id.*

18. Reclamation projects

The operation of an airport for benefit of public is public use and state's actions in expanding airport did not constitute alienation, but rather, reclamation, and thus expansion of lakefront airport by use of water bottom of adjoining lake did not violate prohibition of

R.S. 38:307

Note 18

R.S. 38:335

Note 9

bonds to issue combination revenue bonds and general obligation bonds for development and construction of a marina where citizens of levee district did not consent to the bonds by vote. Board of Com'rs of Orleans Levee Dist. v. All Taxpayers, Property Owners, and Citizens of Orleans Levee Dist., App.1981, 396 So.2d 502 writ denied 400 So.2d 667.

10. Insurance

Proposal by Orleans levee board to privately insure a bond issue without public bidding violated public bid laws and was not a permissible function of the levee board. Board of Com'rs of Orleans Levee Dist. v. All Taxpayers, Property Owners, and Citizens of Orleans

PUBLIC CONTRACTS, WORKS, ETC. Ch. 4

Levee Dist., App.1981, 396 So.2d 502, writ denied 400 So.2d 667.

11. Recreational facilities

Authority to construct and operate a marina was a secondary function of the Orleans levee board, authorized by the legislature, and such secondary purpose, being recreational in nature, did not allow board, as their authority for a bond issue, to use Const. Art. 6, § 40 which authorizes board to issue bonds without the necessity of any legislative act, nor to use Const. Art. 6, § 39 authorizing board to levy a levee district tax. Board of Com'rs of Orleans Levee Dist. v. All Taxpayers, Property Owners, and Citizens of Orleans Levee Dist., App.1981, 396 So.2d 502, writ denied 400 So.2d 667.

§ 336. State land grants; Orleans Levee District

A. To enable the board of commissioners of the Orleans Levee District to perform the work herein provided for, to assist in defraying the cost and expenses thereof, and to carry out the purposes of this and other laws, the state of Louisiana hereby grants and releases to the board the title of the state in and to all public property necessary for the purposes hereof and all lands reclaimed or filled in within any levee embankments, slopes, retaining walls, seawalls, and breakwaters constructed hereunder and in and to all lands lying within the territorial limits of a project and hereby releases the land from any public trust or dedication. Notwithstanding the provisions of R.S. 38:302, R.S. 38:320, and R.S. 38:321, the board shall have the jurisdiction, power, and authority to sell, lease, or otherwise dispose of such portion of the lands reclaimed and other property acquired for the purpose of the improvement, except the lands herein required to be dedicated by it for public use, together with any building, improvements, or other works constructed thereon, under such terms and conditions and by such methods as the board may deem proper. The board also may establish and improve such servitudes, restrictions, rules, and regulations as to such lands sold or leased or otherwise disposed of as the board may determine. The lands may be subdivided in lots and may be offered for sale or lease or sold or leased as soon as practicable without awaiting the completion of the project.

B. (1) There shall be reserved and dedicated forever by the board for public parks, parkways, boulevards, playgrounds, places of amusement, and beach purposes, exclusive of roads and streets, an area or areas comprising not less than thirty percent of the total land area of the project.

(2) Along the entire Lake Pontchartrain frontage of the project there shall be reserved and dedicated forever by the board for public parks, parkways, boulevards, playgrounds, aviation fields, places of amusement, and beach purposes, a continuous strip of land averaging at least five hundred feet in depth and at no point less than three hundred fifty feet in depth. However, when the board shall have established and located the front line of the development in the bed of Lake Pontchartrain, including the line or location of piers, breakwaters, or other like extensions, and has sold, leased, or

LEVEE DISTRICTS
Ch. 4

R.S. 38:336

otherwise disposed of any land or granted any rights based upon the line or location, or when any party, for a valuable consideration, has acquired rights based upon the line or location, then no further reclamation shall be made or other works constructed by the board beyond the established front line or location in the bed of the lake, and the state of Louisiana shall not itself undertake, authorize, or permit the board or any other governmental agency or any person, association, firm, or corporation whatsoever to reclaim the bed of the lake or any part thereof or to construct any works thereon within three miles of the front line location as made by the board.

(3) The foregoing restrictions and limitations shall not prevent or preclude the state, any other governmental agency authorized by law, or any person, firm, or corporation authorized by law from building any bridges or causeways crossing the lake or connecting the shores of the lake with any land reclaimed or works constructed in the bed of the lake.

(4) The board of commissioners of the Orleans Levee District may establish rental rates or other types of docking charges for boat slips in any marina it owns or operates. All rental rates and all other types of docking charges for boat slips established by the board shall be fair and equitable; and no surcharges, rental rates, or other charges for the use of marina facilities shall be assessed at a higher rate to nonresidents of Orleans Parish than those assessed to residents of Orleans Parish.

C. The board may give, grant, and donate to the United States of America or any of its subdivisions, agencies, or departments a tract of land contained within the territorial limits of the project for the purpose of erecting a coast guard station on Lake Pontchartrain. The location and size of this tract of land shall be determined by the board. The board may give, grant, and donate to the United States of America or any of its subdivisions, agencies, or departments a tract of land contained within the territorial limits of the project for the purpose of erecting or establishing a United States Naval Reserve Training Center on Lake Pontchartrain. The location and size of the tract of land shall be determined by the board.

D. For the sale and disposal of the property the board shall employ such persons, agents, or agencies as the board's sound discretion dictates and shall pay these agents such compensation as is previously agreed upon.

E. The board shall donate to the LSU Board of Supervisors for the University of New Orleans all lands, in full ownership, comprising the Main and East campuses of the University of New Orleans. Fifteen acres of this land shall be dedicated in perpetuity for recreational and/or park purposes and shall be included as part of the thirty percent required by Subsection B hereof.

F. The board of commissioners shall have the authority to donate any lands other than those provided for in R.S. 38:336(E) to the Southern University Board of Supervisors for Southern University in New Orleans.

G. (1) Notwithstanding the provisions of any other law to the contrary, the Board of Commissioners of the Orleans Levee District and the Department

of Transportation and Development are hereby authorized and empowered to acquire, by exchange, any or all of the property presently owned by New Orleans Canal, Inc., located in the parish of Orleans, and bounded by Polk Avenue, West End Boulevard, Robert E. Lee Boulevard, and Pontchartrain Boulevard. There shall be reserved and dedicated forever in the act of exchange for a passive nature park, that portion of said lands being bounded by Polk Avenue, West End Boulevard, Walker Street, and Pontchartrain Boulevard. The Department of Transportation and Development may receive donations for the maintenance of this area. This dedication of park space shall be in addition to, and supplemental of, and shall not diminish, other recreational space referred to in Subsection B of this Section.

(2) The said property is further described as two tracts of land, as follows:

(a) The first tract is a portion of land measuring forty feet in width by seven thousand two hundred feet in length more or less; being the same property acquired by New Orleans Canal, Inc. from Canal Assets, Inc. and New Orleans Canal and Banking Company in liquidation, by Acts recorded in COB 655, folio 489, COB 655, folio 525, COB 655, folio 643.

(b) The second tract is a portion of land contiguous to and west of the first tract (above) measuring sixty feet in width by seven thousand two hundred feet in length more or less; being the same property acquired by New Orleans Canal, Inc. from the state of Louisiana by an Act recorded in COB 663, folio 197.

(3)(a) The Board of Levee Commissioners of the Orleans Levee District is hereby authorized to exchange that portion of Orleans Parish known as Lincoln Beach; however, such exchange shall not include any water bottoms. This property shall not be subject to the dedication provisions of Subsection B.

(b) The boundaries of the land known as Lincoln Beach in Orleans Parish owned by the Board of Levee Commissioners of the Orleans Levee District are more particularly described as follows:

"The point of beginning commences at the intersection of the longitudinal center line of the vehicular underpass with the north right-of-way line of the Alabama Great Southern Railroad in Orleans Parish; thence in a southwesterly direction along the north right-of-way line of the Alabama Great Southern Railroad, a distance of about 700 feet to a brick wall; thence in a northwesterly direction along the brick wall a distance of about 400 feet to a wooden bulkhead; thence in a northwesterly and northerly direction along the wooden bulkhead a distance of about 300 feet to the shoreline of Lake Pontchartrain; thence in a northeasterly direction along the shoreline of Lake Pontchartrain a distance of about 1200 feet to a wooden bulkhead; thence in an easterly and southeasterly direction along the wooden bulkhead a distance of about 680 feet to the north right-of-way line of the Alabama Great Southern Railroad; thence in a southwesterly direction along the north right-of-way line of the Alabama Great Southern Railroad a distance of about 720 feet to the point of beginning, said tract of ground containing 15.4 acres in New

LEVEE DISTRICTS Ch. 4

R.S. 38:336
Note 3

Orleans, Louisiana, and shown more particularly on Orleans Levee Board drawing file No. LD 1081."

Acts 1985, No. 130, § 1; Acts 1985, No. 785, § 1, eff. July 22, 1985. Amended by Acts 1986, No. 559, § 1.

Historical Note

Chapter 4 of Title 38 of the Louisiana Revised Statutes of 1950, relative to levee districts, was amended and reenacted by Acts 1985, No. 785, § 1. For disposition of the subject matter of the former sections of Chapter 4 following the 1985 revision, see notes and disposition table preceding R.S. 38:281.

Acts 1985, No. 130, § 1, purported to add a subsec. F to former R.S. 38:1235.2. On authority of R.S. 24:253, the provisions of Act 130 were redesignated as subsec. G of R.S. 38:336, and quotation marks were supplied in the boundary description in par. (3)(b) thereof.

Acts 1985, No. 785, which amended and reenacted Chapter 4 of Title 38, was effective July 22, 1985 upon signature by the governor. Acts 1985, No. 130, which was redesignated to add subsec. G to this section of the amended and reenacted Chapter, became effective on September 6, 1985.

The paragraph designations, reorganization, and substitution of "places of amusement," for "and places of amusement" in subsec. B of this section as amended in 1986 were made on authority of R.S. 24:253.

Library References

Levees and Flood Control §9, 13 1/2.

States §67, 85.

WESTLAW Topic Nos. 235, 360.

C.J.S. Levees and Flood Control §§ 6, 20, 24 et seq.

C.J.S. States §§ 120, 121, 136 to 145.

WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

Notes of Decisions

Bohemia Spillway 7
Consideration 5
Construction and application 1
Front line of development 6
Leases 3
Property description 2
Public bidding 4

administrative authority over an area large enough to carry out its ambitious development plans without need for a periodic constitutional amendment. State ex rel. Guste v. Board of Com'rs of Orleans Levee Dist., Sup.1984, 456 So.2d 605.

Phrase "to assist in defraying costs and expenses thereof" in former R.S. 38:1235.2 (see, now, this section) referred to state's grant to board of its title in lakefront property and was a corollary to first phrase of former R.S. 38:1235.2, "to enable the board to perform the work herein provided for"; language in question was not a condition placed on board's activities in disposing of reclaimed land. Arnold v. Board of Levee Com'rs of Orleans Levee Dist., Sup.1978, 366 So.2d 1321.

2. Property description

Lands correctly described in transfer by state to levee board may not be changed by amendment thereto. Op.Atty.Gen., June 17, 1968.

3. Leases

Granting a lease of lakefront property for construction of a public museum and library was not foreign to authority of parish levee board to develop lakefront. Arnold v. Board

1. Construction and application

R.S. 38:1235.2 (see, now, this section) granting levee board title to all lands lying within territorial limits of the lakefront improvement project was a residuary clause, along with clauses granting levee board title to all public property necessary for purposes of the project and all lands reclaimed or filled in, which made it clear that all lands within reclamation project would be owned by the board, but was not a grant to levee board of title to bed, bottom, and shores of lake within three miles from 1918 shoreline. State ex rel. Guste v. Board of Com'rs of Orleans Levee Dist., Sup. 1984, 456 So.2d 605.

Intent of provisions of Const.1921, Art. 16, § 7 (a, b, e, h) (see, now, this section) granting levee board title to bed, bottom and shores of lake within territorial limits of lake improvement project was to provide the board with

Attachment 6

Financial Statements

ORLEANS LEVEE DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS - ENTERPRISE FUNDS

Combining Balance Sheet, June 30, 1999
(With Comparative Totals for the Year
Ended June 30, 1998)

	NEW ORLEANS LAKEFRONT AIRPORT
ASSETS	
Current assets:	
Cash	
Investments	
Receivables	\$289,959
Due from other funds	
Inventory	175,596
Other assets	
Total current assets	<u>465,555</u>
Restricted assets	
Deferred charges	
Property, plant, and equipment - less accumulated depreciation	<u>28,596,423</u>
TOTAL ASSETS	<u><u>\$29,061,978</u></u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Current liabilities (payable from current assets):	
Payables	\$233,755
Deferred revenues	1,678,980
Due to other funds	9,435,150
Other liabilities	
Total current liabilities (payable from current assets)	<u>11,347,885</u>
Current liabilities (payable from restricted assets) - accrued bond interest payable	<u>NONE</u>
Long-term liabilities:	
Deferred revenues	
Accrued bond interest payable	
Advance from other funds	761,295
Accrued compensated absences	113,181
Bonds payable	
Total long-term liabilities	<u>874,476</u>
Total Liabilities	<u>12,222,361</u>
Fund Equity:	
Contributed capital	36,729,282
Retained earnings - unreserved (deficit)	(19,889,665)
Total Fund Equity	<u>16,839,617</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$29,061,978</u></u>

**ORLEANS LEVEE DISTRICT
STATE OF LOUISIANA
PROPRIETARY FUNDS - ENTERPRISE FUNDS**

**Combining Balance Sheet, June 30, 1998
(With Comparative Totals for the Year
Ended June 30, 1997)**

**NEW ORLEANS
LAKEFRONT
AIRPORT**

ASSETS

Current assets:

Cash	
Investments	\$238,055
Receivables	
Due from other funds	237,510
Inventory	
Other assets	475,565
Total current assets	

Restricted assets

Deferred charges

Property, plant, and equipment - less accumulated depreciation	29,248,592
	<u>\$29,724,157</u>

TOTAL ASSETS

LIABILITIES AND FUND EQUITY

Liabilities:

Current liabilities (payable from current assets):	\$99,039
Payables	52,673
Deferred revenues	10,294,547
Due to other funds	
Other liabilities	10,446,259
Total current liabilities (payable from current assets)	

Current liabilities (payable from restricted assets) - accrued bond interest payable	NONE
---	------

Long-term liabilities:

Deferred revenues	
Accrued bond interest payable	1,093,477
Advance from other funds	106,490
Accrued compensated absences	
Bonds payable	1,199,967
Total long-term liabilities	11,646,226
Total Liabilities	

Fund Equity:

Contributed capital	36,724,831
Retained earnings - unreserved (deficit)	(18,646,900)
Total Fund Equity	18,077,931

TOTAL LIABILITIES AND FUND EQUITY

\$29,724,157

**ORLEANS LEVEE DISTRICT
LAKEFRONT AIRPORT
Schedule of Revenues, Expenses,
and Changes in Retained Earnings
For the Year Ended**

	June 30, 1995	June 30, 1996	June 30, 1997	June 30, 1998	June 30, 1999	Total
OPERATING REVENUES						
Rentals	920,688	1,331,201	1,027,554	1,151,609	750,698	5,181,750
Fuel farm sales and fees	3,190,889	2,858,746	3,435,981	3,091,614	2,655,355	15,232,585
Gaming fees	488,217		229,413	306,377	305,885	1,329,892
Other	237,315	153,784		39,301	53,225	483,625
Total operating revenues	4,837,109	4,343,731	4,692,948	4,588,901	3,765,163	22,227,852
OPERATING EXPENSES						
Personal services	1,625,896	1,448,035	2,226,111	1,861,125	1,566,297	8,727,464
Travel	12,572	5,507	2,665	813	3,874	25,431
Contractual services	611,832	523,982	655,862	510,174	581,714	2,883,564
Material and supplies:						
Fuel farm	2,569,293	2,233,131	2,757,407	2,485,016	2,084,412	12,129,259
Other	221,291	194,025	289,636	189,922	164,279	1,059,153
Professional services	49,975	77,353	12,000	33,226	78,577	251,131
Other charges - maintenance contracts, etc.	1,601,676	1,086,953	270,253	153,166	176,768	3,288,816
Depreciation	1,441,637	1,280,532	1,392,601	1,592,411	1,516,789	7,223,970
Total operating expenses	8,134,172	6,849,518	7,606,535	6,825,853	6,172,710	35,588,788
OPERATING INCOME (Loss)	(3,297,063)	(2,505,787)	(2,913,587)	(2,236,952)	(2,407,547)	(13,360,936)
NONOPERATING REVENUES (Expenses)						
Interest earned on investments	4,299					4,299
Debt service - interest and bank charges	(128,331)					(128,331)
Federal and state grants	1,589,062	2,798,478	749,394		118,897	5,255,831
Settlement of litigation			(58,000)			(58,000)
Gain (loss) on sale of fixed assets				10,260		10,260
Bond issuance costs	(53,210)					(53,210)
Total nonoperating revenues (expenses)	1,411,820	2,798,478	691,394	10,260	118,897	5,030,849
INCOME (Loss) BEFORE OPERATING TRANSFERS	(1,885,243)	292,691	(2,222,193)	(2,226,692)	(2,288,650)	(8,330,087)
OPERATING TRANSFERS						
Operating transfers in	2,476,213	120,567	439,077	482,730	425,224	3,943,811
Operating transfers out	(156,001)	(271,929)	(107,557)	(215,797)	(16,407)	(767,691)
Total operating transfers	2,320,212	(151,362)	331,520	266,933	408,817	3,176,120
NET INCOME (Loss)	434,969	141,329	(1,890,673)	(1,959,759)	(1,879,833)	(5,153,967)
RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR						
	(13,011,719)	(12,576,751)	(12,435,422)	(14,048,206)	(18,646,900)	(13,011,719)
Prior period adjustment			277,889	(2,638,935)	637,068	(1,723,978)
RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR AS RESTATED	(13,011,719)	(12,576,751)	(12,157,533)	(16,687,141)	(18,009,832)	(14,735,697)
RETAINED EARNINGS (Deficit) AT END OF YEAR	(12,576,750)	(12,435,422)	(14,048,206)	(18,646,900)	(19,889,665)	(19,889,664)

Attachment 7

Distribution Ready Copy of the Request for Offers

Request for Offers

Statements of Interest and Qualifications

(incorporating amendments as of March 1, 2000)

for

**A Public-private Partnership
for the Management, Operation and Development
of New Orleans Lakefront Airport**

by

**The Board of Commissioners
of the Orleans Levee District
New Orleans, Louisiana**

- **Request Release Date:** February 28, 2000
- **On-Airport Information Meeting:** March 9, 2000 10:30 a.m. CST
- **Due Date for Statements
of Interest and Qualifications:** March 30, 2000 5:00 p.m. EST

I. INTRODUCTION

A. Purpose

By this Request, the Board of Commissioners of the Orleans Levee District ("the District") is seeking letters of interest and qualifications ("Submittals") from qualified management and development companies or consortia ("Respondents") interested in the operation and development of the Lakefront Airport and its properties ("the Airport"). In order to maximize the development and revenue potential of the Airport and to generate a favorable economic stimulus to the community, the District has determined that the Airport could be managed, operated and developed by an entity selected through a competitive process. The District intends to conduct this competitive process leading to one of the following arrangements with a private developer/operator:

- long-term lease of the Airport to a private operator/developer;
- sale of the Airport to a private operator/developer who will continue to operate the facility as an airport for public use and benefit.

After receiving the letters of interest from qualified Respondents, the District will decide which option, if any, to pursue for the remainder of the competition process. Note that, as part of its options review, the District is also considering participation in the Federal Aviation Administration's ("FAA") airport privatization pilot program.

Regardless of the partnership option ultimately selected, the District desires to have the Airport operated as a public aviation facility in accordance with all applicable laws and regulations and in compliance with all existing and future agreements between the District and the FAA, specifically including, but not limited to FAA grant agreements and the Airport sponsor grant assurances. Any agreement shall be subject to the approval of the District and, if applicable and to the extent required by law, the FAA and any other state or federal agency with jurisdiction over the agreement.

The resulting public-private partnership will be structured to achieve the following goals and objectives of the District:

1. To ensure that the Airport is a self-financing enterprise that serves the business, commercial and recreational needs of the community, the City of New Orleans and the metropolitan area, the District and the Airport's tenants.
2. To ensure that the District receives an income stream from the Airport sufficient to cover all direct and overhead expenses associated with the provision of any District services provided to the Airport after transfer, as well as any investments made by the District in assets that may be transferred as part of the transaction.
3. To assure the District and the community that the Airport is developed and operated to its highest and best use consistent with community interests, providing an increasing economic stimulus to the City of New Orleans and the surrounding community.

4. To assure the continued and significant improvement in the quality and value of the services provided to Airport users.

The District has reviewed the statutory requirements and two notices issued by the Federal Aviation Administration, 62 F.R. 19638 (issued April 22, 1997) and 62 F.R. 48693 (issued September 16, 1997) with regard to the FAA's privatization pilot program, and is prepared to meet those requirements. In addition to the goals noted above, the following statutory objectives of 49 U.S.C. § 47134(c) must be satisfied should the District participate in the pilot program:

1. the airport will continue to be available for public use on reasonable terms and conditions without unjust discrimination;
2. the operation of the airport will not be interrupted if the private operator experiences bankruptcy or other financial difficulty;
3. the private operator will "maintain, improve and modernize" airport facilities through capital investments, and submit a plan for these actions;
4. airport fees imposed on air carriers will not increase faster than inflation unless a higher amount is approved by at least 65 percent of the air carriers using the airport and the air carriers having at least 65 percent of the landed weight of aircraft at the airport;
5. the percentage increase in fees imposed on general aviation operators will not exceed the percentage increase in fees imposed on air carriers;
6. safety and security will be maintained "at the highest possible levels;"
7. adverse effects of noise from airport operations will be mitigated to the same extent as at a public airport;
8. adverse effects of the environment from airport operations will be mitigated to the same extent as at a public airport; and
9. any collective bargaining agreement that covers airport employees and is in effect on the date of the sale or lease of the airport will not be abrogated by the sale or lease.

In addition to these requirements, in order for the District to participate in the FAA privatization pilot program, the FAA Administrator must find that the transfer of the Airport to the successful Respondent will not result in unfair and deceptive trade practices or unfair methods of competition, and that the interests of general aviation users are not adversely affected. However, failure by the Administrator to make such a finding will not necessarily affect the District's consummation of the public-private partnership aside from participation in the pilot program.

The Orleans Levee District is a governmental subdivision of the State of Louisiana, and is responsible for protecting the City of New Orleans from hurricane flood waters and high tide events from Lake Pontchartrain and the Mississippi River. It is governed by an eight-member Board of Commissioners.

B. The Airport

Lakefront Airport is currently a general aviation reliever airport owned by the Orleans Levee District and has been operated by the District's airport staff since the 1930s. The Airport property comprises approximately 590 acres, three runways and numerous facilities, including a large main terminal building. It is located in the eastern part of New Orleans, Louisiana at the southern edge of Lake Pontchartrain approximately 5 miles from the New Orleans central business district. The Airport's business offices are located in the Airport's main terminal building at 6001 Stars and Stripes Boulevard, New Orleans, Louisiana. This is also the site of the March 9, 2000 Information Meeting. The office telephone number is (504) 243-4010 (please see notice of limitations on contact with Airport or District officials in section E below).

The Airport is approximately 10 minutes driving time from downtown New Orleans, the Convention Center (housing the largest contiguous floor area in America), the Louisiana Superdome, the world famous French Quarter and the new Jazzland theme park opening this summer. It is accessible by US Interstate Highway I-10, which also connects the Airport to downtown. The Airport is surrounded on almost three sides by Lake Pontchartrain and land owned by the District, and is further buffered on the fourth side from the surrounding community by two major parallel roads. Due in part to its excellent location, the Airport is used by more Fortune 500 companies than any other airport in metropolitan New Orleans.

The Airport has three paved runways:

- Runway 18R/36L, with a length of 6,879 feet (175,000 lbs./dual wheel maximum weight, with ILS, GPS, VASI) and a width of 150 feet; it has a displaced threshold on each end measuring 240 feet on the 18R end and 811 feet on the 36L end.
- Runway 18L/36R with a length of 3,699 feet (55,000 lbs./dual wheel maximum weight) and a width of 75 feet; and
- Runway 09/27 with a length of 3,094 feet (80,000 lbs./dual wheel maximum weight, with VASI) and a width of 75 feet.

Runways 18R/36L and 18L/36R have full-length parallel taxiways with taxiway connectors and access to all aircraft parking and hangar facilities. There is a FAA-operated control tower on the Airport. The ground support and aircraft support equipment can handle aircraft up to a B-757. FAA-approved and certified passenger screening equipment is available. The Airport is served by US Customs and the Department of Agriculture. The Louisiana Air National Guard also maintains operations

at the Airport. The Airport has a partial FAA Part 139 certification, although the entire Airport is marked and lighted to Part 139 standards.

Additional information on the Airport can be obtained by purchasing the **Respondent Information Package** (see details below), by accessing the Airport's web site at www.lakefrontairport.com, or by contacting the District's advisor, **Infrastructure Management Group, Inc. ("IMG")**. There is also a special web site for the privatization competition process at www.orleanspartnership.com.

C. The Opportunity

With 14 large hangars, 48 T-hangars, approximately 250 based aircraft and nearly 200,000 annual aircraft operations, Lakefront Airport is the largest general aviation airport in the tri-state region, as well as the busiest (in terms of aircraft operations) of any airport in the region. It has hosted several National Business Aircraft Association (NBAA) national conventions in the past, and will also host the 2000, 2001 and 2005 national conventions.

The Airport presents opportunities for growth in airport-related activities and development. Eighty-three acres of prime airport land are available for development. Aviation facilities, including hangars, light industrial complexes and office facilities can be developed on the property. The main terminal building already includes offices, meeting rooms, a restaurant and bar, and retail space. Rental cars are also available through the FBOs. The Airport has been designated as a federal Enterprise Zone, and therefore business located on the Airport can enjoy important tax benefits rarely available elsewhere. There is a 473-slip marina adjacent to the airport (also owned by the District), which is also home to a Bally's Riverboat Casino. In addition, there are 14 acres of non-airport land available for development.

With its quality facilities, strong national reputation among business aircraft owners and numerous opportunities for growth, expansion and on-airport development, Lakefront Airport may be one of the best U.S. airport public-private partnership opportunities to come along in years.

D. Airport Capital Improvements

Over the years the Airport has invested extensively in capital improvements, resulting in outstanding facilities to serve a wide range of aircraft. Total federal Airport Improvement Program ("AIP") grants received by the Airport total approximately \$40 million over the past three decades. The Airport has \$20 million in outstanding debt.

Through the AIP grant process the FAA can contribute up to 90% toward the cost of airport improvement projects including new or refurbished runways, taxiways and aircraft parking areas. The Louisiana Department of Transportation's Bureau of Aviation can contribute up to 50 percent of such capital projects.

The Airport is partially bordered by flood protection facilities for Lake Pontchartrain. The District is currently responsible for the operation and maintenance of all of the flood

protection facilities around the Airport's perimeter. The construction of these facilities were subject to the approval of the Louisiana Department of Transportation and Development, Louisiana Department of Environmental Quality Affairs and the US Army Corps of Engineers. The District will continue to be responsible for the operations and maintenance of flood protection systems after the public-private partnership.

E. Information and Contact with the Airport District

IMPORTANT: Prospective Respondents should note that direct contact with Airport or District officials is prohibited during this competition process except for official Information Meetings and Airport visits scheduled through the District's advisor, Infrastructure Management Group, Inc. ("IMG"). Any calls, correspondence, queries or requests must be directed to IMG, and not to the Airport or the District. IMG can be contacted by phone (301) 907-2900, fax (301) 907-2906, E-mail at tgerachis@imggroup.com, or mail at Infrastructure Management Group, Inc., 4733 Bethesda Avenue, Suite 600, Bethesda, MD 20814. Principal IMG contacts are: Steve Steckler, President, Jorge Gonzalez, Vice President for Aviation Services, and Thalia Gerachis, Project Administrator. Contact with the District through any other means may result in the Respondent's disqualification from the competition process.

II. THE COMPETITION PROCESS

The District has determined that the opportunity to manage and develop the Airport will be tendered to a single firm or consortium by means of a contract, lease or deed of sale (the "contract") with related operating and development agreements, as appropriate. The District intends to establish a relationship with a single firm or consortium that will manage and develop the Airport for the mutual benefit of both parties.

At this time the District intends to adhere to the following schedule for the submittal and evaluation process:

1. **Pre-submittal Information Meeting:** An Information Meeting for potential Respondents will be held at the Airport on March 9, beginning at 10:30 a.m. The event will include a meeting with Board officials, an overview of the competition process and expectations for Submittals and a wide-ranging briefing on the Airport. Following lunch (provided by the District), there will be a series of focused briefings on facilities, assets, operations, maintenance and finances, as well as a tour of the Airport facilities. Prospective Respondents are strongly encouraged to attend the meeting. Follow-up meetings for investigations and information-gathering by individual Respondents may be arranged through IMG.
2. **A Data Room** with relevant documents has been set up in the District's Executive Conference Room in the Airport Terminal and is available during the Information Meeting and by appointment.
3. **Submittal Review and Short List:** The District will review the Submittals to determine whether there are qualified and interested Respondents sufficient to justify proceeding to the solicitation of full proposals. If the District determines

this to be the case, then it will invite the most qualified and capable Respondents to submit technical and financial proposals.

4. **Detailed Proposals and Release of Draft Contract:** At the time it requests detailed proposals, the District will provide specifications for those proposals and a draft of the proposed contract between the successful Respondent and the District. The District anticipates that review of the letters of interest and qualifications will require approximately two weeks, after which invited Respondents will be given approximately 45 days to submit their technical and financial proposals.
5. **Proposal Review, Selection and Negotiation:** The District will review the proposals and determine whether one or more of them satisfies the District's objectives for the competition (note that qualifications will also be part of the final review process). If the District determines this to be the case, then it will select one or more Respondents for negotiation of a final public-private partnership contract. Before making such a decision, however, the District may decide to interview one or more of the Respondents, seek clarifications of their proposal(s) and/or visit and inspect any facilities currently operated by the Respondent(s).

III. SCOPE OF SERVICES

A. Minimum Airport Management and Operations Responsibilities

Regardless of the partnership option selected by the District, the selected Respondent will be required to provide an airport manager and appropriate staff to provide airport services on a seven-day-a-week, 24-hours-per-day basis. The Respondent's airport manager and staff will have, at a minimum, full responsibility for all of the operation and maintenance of the Airport (and more, if the District selects a lease or sale option), including, but not limited to, the following list of services:

1. Coordinate and maintain airport security.
2. Maintain safety of runways and taxiways and provide ARFF services.
3. Coordinate with FAA personnel regarding grant and operational matters.
4. Supervise and perform all services such as maintenance and maintain adequate records.
5. Coordinate any construction, maintenance, or other activities at the Airport to minimize interference with Airport operations.
6. Enforce Airport regulations and other applicable statutes or rules.
7. Properly manage community, City of New Orleans and Louisiana Department of Transportation relations.

8. Act on behalf of the District in conducting liaison with the State of Louisiana, the City of New Orleans and Federal agencies on matters relating to aid programs and operations.
9. Provide general care of the Airport to insure cleanliness, good appearance, and efficient, safe operation.
10. Develop revised Airport rules and regulations within the first 90 days, for review and acceptance by the District.
11. Develop emergency plans, coordination of off-airport resources.
12. Provide contractual services with third parties.
13. Furnish, operate and maintain all mechanical, plumbing, electrical and communications systems as may be required to operate the Airport.
14. Arrange and pay for all water, sewer, electricity, gas, telephone and other utilities as may be necessary to operate the Airport (there is currently only single metering for electricity in the terminal building).
15. If a lease, the operator will be expected to maintain separate financial accounting records to properly record and categorize revenues by function on a basis prescribed by the District, safeguarding the assets being managed. The operator will be expected to provide the District at least quarterly and year-to-date statements of operating reports, and to permit inspection and/or audit of financial and operating records according to terms to be specified in the public-private partnership contract.
16. Complete and update an airport layout plan, and annually submit to the District a 5-year capital improvement program ("CIP"), addressing the operational needs of the Airport.
17. Assure that aviation fuel, aircraft maintenance and other aircraft services reasonably required to meet the needs of the users of the Airport are provided on the Airport.
18. Obtain and maintain fire, casualty and flood insurance for the Airport and its facilities and in addition, a general liability insurance policy including aircraft liability and airport operator legal liability, automobile liability and workers' compensation coverage.
19. Operate stores, concessions, restaurants or other consumer service activity related to airport activity or customers.
20. Maintain and operate the fuel farm.

21. Properly manage any environmental and noise issues arising from the contractor's operation of the Airport.
22. To develop and market the Airport.
23. To coordinate with the District on the District's operations and maintenance of any on-Airport facilities remaining under the District's responsibility.

B. Additional Services and Considerations Under a Lease or Sale

The list above constitutes most of the operations and maintenance activities of the Airport. If the District decides to lease or sell the Airport as part of the public-private partnership initiative, then the list will necessarily be modified. The District also reserves the right to modify the list as part of the final public-private partnership contract.

C. Rights of the District and FAA

1. The District, by its officers, employees, or agents may retain the right to enter upon the Airport premises for the purpose of inspection of the premises and operation of the flood protection features adjacent to and surrounding the Airport.
2. The District may reserve the right to take proper action to protect the aerial approaches of the Airport against obstruction.
3. The District may reserve the authority to insure that the Airport will be operated and maintained in accordance with pertinent Federal statutes, rules, regulations and covenants contained in the Assurances.
4. To the extent that the law or grant assurances may require, the approval or formal release of the FAA may be necessary for any construction on those portions of the Premises designated on the ALP as being for aviation purposes.
5. It is understood that the District may utilize a mechanism, such as an Airport or District committee or commission, to monitor the Airport and its operations.

IV. SUBMITTAL FORMAT AND CONTENTS

The District invites Submittals from firms or consortia that are capable of performing the scope of services specified above. The District will review responses to this Request and other considerations that the District may deem to be relevant to this assignment. On the basis of the Submittals received, the District intends, but shall not be obligated to accept one or more Respondents for further consideration and the solicitation of technical and financial proposals. The District will not, however, be obliged to accept any Submittal, and may, in its sole discretion, seek clarifications or amendments to any Submittal for the purpose of its evaluation or the preparation of additional solicitations or

documents. Furthermore, the District reserves the right to seek the approval of any designated Respondent from appropriate federal and state agencies.

In order for a Submittal to be considered by the District, the following items must be addressed in the order specified below.

A. Description of the Respondent

1. Name, address and role of each corporate entity included in the Submittal.
2. Name and address of any affiliated parent and/or subsidiary.
3. Name and function of proposed key staff.
4. An organization chart showing the priority and role of each company and lines of authority and approval.
5. The name, title, address, telephone number, fax number, and e-mail address of the Primary Contact for the Respondent, plus the same data for an Alternative Contact should the Primary Contact be unavailable. All information and notices will be sent to the Primary Contact.
6. The form of each corporate entity included in the proposal.

B. Adding or Deleting Members of the Respondent Team

The District considers the firm or firms named in a Submittal to constitute the Respondent for this phase of the competition (i.e., evaluation for purposes of developing a short list of firms that will be invited to submit detailed technical and financial proposals). The Respondent is free to *add* a new subordinate firm (consortium partner or subcontractor firm) after the Respondent is short-listed and prior to submitting a detailed technical and financial proposal. The District must be notified in writing of any such addition. However if the Respondent *deletes* a firm from its team (either consortium partner or subcontractor) after including it in its Submittal it must immediately notify the District in writing. If the District, in its sole discretion, determines that such deletion has materially diminished the qualifications of the Respondent, then the District may disqualify the Respondent from further participation in the competition.

C. Qualifications of the Respondent

1. Performance on current and recent airport and/or public-use infrastructure facility management and development projects relevant to the future operation, management and development of the Airport. This should also include the following: a complete description of airport management and operations experience, and a description of the facilities and airports being managed by the Respondent, both domestically and internationally. If the Respondent is a newly formed entity, describe the relevant experience of the constituent members and the planned management structure to integrate operational functions (this

planned structure may be amended by the short-listed Respondents in conformance with their technical proposals).

2. Performance on current and recent commercial and industrial development projects relevant to the development of the Airport.
3. Five client references (name/ address/ telephone number) from listings cited above.
4. Name, title and responsibility of the top five individuals from the company or consortium assigned to work with the District.
5. Professional qualifications of each person named above.
6. Current title and reporting relationship of the individuals named above.
7. If your firm plans to provide services utilizing other firms (subcontractor or firms without ownership in the consortium or joint venture), provide general information about each such firm that is required of your firm by this solicitation and detail how it will be integrated into the overall organization. Include the names, titles, responsibilities and qualifications of only the most important individual(s) from each subcontractor.
8. A list of any outstanding litigation or major unresolved client disputes arising from the provision of the type of services requested by the District, including a brief description of the issue.
9. A list of any civil or criminal penalties imposed on the firm, consortium or its officers in the past 10 years by a government entity that are related to the provision of the type of services requested by the District, including a brief description of the issue.
10. Your responses to the following questions (one page per question, please). Note that your responses to these questions are required, but they will not be part of the District's evaluation of your Submittal and will in no way positively or negatively affect the evaluation.
 - a. Based upon your preliminary evaluation of the Airport and its circumstances, which public-private partnership option (operations and maintenance contract, lease or sale) do you believe would be in the best interest of the District, and why?
 - b. Based upon your preliminary evaluation of the Airport and its circumstances, what are the most important issues specific to Lakefront Airport that you believe will have to be dealt with as part of the public-private partnership?

In addition to the qualification elements listed above, **short-listed Respondents only** will be asked for the following qualifications-related information (in addition to other

items) in conjunction with their technical and financial proposals (**this information need not be provided as part of this Submittal**):

1. timing/detail of application for Part 139 certificate, if applicable;
2. plan for compliance with Part 107, if applicable;
3. a description of the Respondent's capability of complying with the public sponsor's existing grant assurances, including the assurance of compatible land use around the airport; the protection of navigation aides, approach lights, runway safety areas, and runway protection zones; and the continuation and extension of navigation easements;
4. affiliations with air carriers or other persons engaged in aeronautical business activity at an airport (other than airport management);
5. a description of all charges of unfair or deceptive practices or unfair methods of competition brought against the Respondent, the Respondent's key personnel and in the case of a Respondent that is a joint venture, partnership or other consortium, the separate members of the entity for the past 10 years. The description should include the disposition or current status of each such proceeding.

Respondents should note that all qualifications information, including information provided in this Submittal, any subsequent clarifications and investigations, and any additional qualifications or information solicited and/or submitted along with the technical and financial proposals, will be considered as part of the District's final evaluation and award process.

D. Required Statements

1. Letter of Interest stating the Respondents interest in providing the Scope of Services. This letter must be signed by a senior executive of the responding firm or consortia empowered by the firm or consortia members to respond to this Request on their behalf.
2. Statement summarizing the evidence that the Respondent has the necessary capability to start performing airport management functions by September 1, 2000 (a one-page statement will suffice).
3. Statement that the Respondent will comply with all applicable federal, state and local statutes, rules, and regulations concerning operation of airports, non-collusion in submission of this Submittal, non-discrimination and affirmative action in employment and public work, and non-discrimination in the conduct of the Respondent's business.
4. Statement of financial capability, including certified financial statements for the past three fiscal years and (if appropriate) Form 10k, submitted to the U.S.

V. SUBMITTAL EVALUATION PROCESS

A. Conditions

The District will consider Submittals that include the elements cited above. Submissions received in a format other than the requirements outlined above may be rejected by the District, in its sole and absolute discretion. **The District also retains the right at its sole discretion to combine one or more Submittals, modify a Submittal, reject any or all Submittals, and negotiate any and all legal documents required.**

B. Considerations for Evaluation

Submittals will be evaluated first according to their completeness and adherence to the requirements of this Request. Respondents are asked to include only those qualifications relevant to the provision of the services or partnership options being considered by the District. The District reserves the right to request clarifications and additional information from individual Respondents as part of the evaluation process. Other Respondents will not be notified of any such requests.

Following the completeness check, Submittals will be evaluated according to the following considerations:

1. Demonstrated technical and human resources capability to successfully and safely manage, operate and develop a large public-use infrastructure facility, such as the Lakefront Airport.
2. Financial capacity for successfully managing, operating and developing the Airport without material risk to the District.
3. Record of performance improvement (operations, maintenance, facilities, costs, revenues, labor relations, marketing, administration, and/or economic development, etc.) at facilities, services and projects managed by the Respondent.
4. Record of successful client relations and client satisfaction at facilities, services and projects managed by the Respondent.
5. Record of successful tenant and customer management at facilities, services and projects managed by the Respondent.
6. Record of meeting contractual commitments at facilities, services and projects managed by the Respondent.
7. Record of successful and positive community and city government relations for facilities and projects managed by the Respondent.

8. Record of successful and positive employee and labor relations for facilities, services and projects managed by the Respondent.
9. Record of successful relations, reputation and regulatory compliance with regional and/or national officials of the Federal Aviation Administration and appropriate state governing bodies.

C. Information and Clarifications of This Request

1. **Information Meeting:** The District will conduct a Pre-submittal Information Meeting to review the objectives of this engagement, provide an overview of the Airport and its operations, and to receive questions from interested parties. Attendance at this meeting is strongly recommended but not required for Respondents. The briefing will be held at 10:30 a.m. CST on March 9, 2000 at the Lakefront Airport Terminal Building.
2. **Information and Clarification Requests:** At all times prior to and following the Information Meeting, the District will accept written requests for clarification and information. All Respondent comments, questions and requests for information must be submitted in writing by **mail, facsimile or electronic mail** directly to:

Ms. Thalia Gerachis
Infrastructure Management Group, Inc.
4733 Bethesda Avenue, Suite 600,
Bethesda, MD 20814
Fax (301) 907-2906
E-mail: tgerachis@imggroup.com
RE: NEW ORLEANS LAKEFRONT AIRPORT

Responses to requests for clarification and information will be provided by e-mail and/or fax directed first to the inquiring Respondent. Copies of all queries (without naming the inquiring Respondent) and the District's responses may then be posted on the competition's web site www.oreanspartnership.com for the benefit of all potential Respondents and sent by e-mail to individuals attending the March 9 Information Meeting.

3. **Amendments:** Any amendments (including future modifications, revisions or addenda to this Request) will be distributed by facsimile and e-mail to all parties of record that have requested or received copies of this Request.
4. **Respondent Information Package:** A Respondent Information Package is available from Infrastructure Management Group, Inc. The package includes copies of the most recent financial reports, a copy of the Airport Master Plan, historical operating data, a list of leases and contracts, Airport layout and other plans, maps, personnel position roster and compensation, and other information that the District believes may be helpful to potential Respondents in preparing their Submittals. The Information Package is available for \$200.00, payable by check, Mastercard or Visa, *payable to the Orleans Levee District* by contacting

Securities and Exchange Commission, if any, for the past three years. If no 10K annual reports were filed, then include balance sheets and income statements prepared in accordance with Generally Accepted Accounting Principles, with all footnotes applicable to the financial statements.

5. Statement acknowledging that the District reserves the right to accept, reject, or negotiate modifications to any Submittal, proposal or draft contract submitted as part of this competition that the District deems is in its best interests.
6. Statement that no broker fee, finder's fee or contingent fee will be paid by the Respondent as a result of its success in this competition.
7. Signatures required:
 - a. If the Respondent is a corporation, the Submittal must be signed by an officer of the corporation, indicating the signer's official capacity and stating that the signer is authorized to sign and submit on behalf of the corporation.
 - b. If the Respondent is a partnership or proprietorship, the Submittal must be signed by a general partner or other duly authorized person. The title and official capacity of the person signing the Submittal must be stated, including a statement that the signer is authorized to sign and submit the Submittal on behalf of the partnership or other entity.
 - c. If the Respondent is a consortium or joint venture, the Submittal must be signed by an officer of the lead company(ies) with signed letters from authorized officials of the other participants confirming their participation.

E. Optional Appendix

The District is interested in knowing as much as possible about the Respondents. Therefore, Respondents are permitted to include corporate brochures and other marketing materials (including CD-ROMs but not videotapes), client testimonials, etc. as a separate Optional Appendix to their Submittals. Such an Appendix must be contained in a separate envelope or binding that is specifically labeled "Optional Appendix," and may not be part of the other Submittal documents. However, Respondents should be aware that the District will review and consider any such optional material at its sole discretion, and that it may investigate any claims or information included in these materials.

F. Format

The District prefers that all materials other than graphics, plans and the Optional Appendix be submitted in an 8.5 inch by 11.0 inch format with a general text font of no less than 10 point size and page margins of at least one inch all around.

IMG. Payments are non-refundable. Once payment is received, the package will be sent via second-day express courier, except to international destinations, for which there will also be an additional \$50 charge. To receive the Information Package, contact Infrastructure Management Group, Inc.

5. **Competition Web Site:** Additional information, calendar and updates may be posted on the competition's web site at www.oleanspartnership.com.
6. **No Warranty or Guarantee of Information:** Any information provided by the District in this Request, at the briefing session or at any other time in this competition process is intended merely to assist Respondents in the preparation of their Submittals. **Neither the District nor its advisors make any warranty or guarantee as to the accuracy or completeness of this information, including, but not limited to, information included in the Information Package, documents in the Data Room, this document and related correspondence, or responses to Respondent queries.** Respondents are responsible for making their own independent verification of all information related to this Submittal and future submittals as part of the competition.

D. Destination and Acceptance of Submittals

Complete Submittals must be received by IMG no later than **5:00 p.m. EST on Thursday, March 30, 2000** at the company's offices in Bethesda, Maryland in order to be considered. Submittals must be in 10 bound copies. Any Optional Appendices may be submitted in loose-leaf fashion, but 10 copies are required in all cases), all enclosed within a sealed package that identifies the Respondent and is marked as follows:

**Ms. Thalia Gerachis
Infrastructure Management Group, Inc.
4733 Bethesda Avenue, Suite 600,
Bethesda, MD 20814 Ph. (301) 907-2900
SUBMITTAL RE: NEW ORLEANS LAKEFRONT AIRPORT**

Submittals received after that time will be returned unopened or otherwise rejected. Submittals or copies of Submittals may **not** be sent directly to the District or its officials, nor should they be released to parties other than the District's or its advisors. Failure to comply with this provision may result in disqualification of the Respondent from the competition.

E. Respondent Costs

All costs and expenses incurred by Respondents relating to their Submittals will be borne by the Respondents. The District is not liable to pay these costs and expenses, nor to reimburse or compensate Respondents in any manner whatsoever for such costs and expenses under any circumstances. The District reserves the right to reject any or all Submittals at its sole discretion.

VI. DISADVANTAGED BUSINESS ENTERPRISES

It is the established policy of the Orleans Levee District to provide reasonable opportunities for Disadvantaged Business Enterprises to compete for or perform on contracts let by the District. Toward this end, the District encourages major prime contractors to provide opportunities for these businesses to become involved as subcontractors, either as part of this competition or after the Respondent takes over operation of the Airport.

"Disadvantaged Business Enterprise" means a small business organized for profit performing a commercially useful function which is owned and controlled by one or more DBE individuals or businesses. Owned or controlled means a business in which one or more DBE owns at least 51 percent, or in the case of a corporation, at least 51 percent of the voting stock and control of at least 51 percent of the management and daily business operations of the business.

The District anticipates that whatever type of public-private partnership is eventually consummated as a result of this competition, the resulting contract will include negotiated provisions designed to assist the District in meeting its overall goal of at least 16 percent participation by DBE businesses.

VII. CONCLUSION

The District recognizes and appreciates the considerable effort your firm will undertake in developing your Submittal, and is committed to the conduct of an exceptionally fair, methodical and efficient process. The District welcomes your Submittals and looks forward to the successful conclusion of this promising competition.